



**BANK OF TANZANIA**



**MONTHLY  
ECONOMIC  
REVIEW**

**October 2008**



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# 1.0 Inflation Developments

Month-to-month **headline inflation** increased to 2.2 percent in September 2008 from negative 0.7 percent recorded in the previous month. The increase in inflation rate is mainly explained by the acceleration of food inflation. Excluding seasonal influences, the month-to-month headline inflation increased to 2.5 percent in September 2008 compared to a decline of 0.8 percent recorded in August 2008. Similarly, the annual headline inflation rose to 11.6 percent in September 2008, compared to 9.8 recorded in August 2008 (Table 1.1 and Chart 1.1).

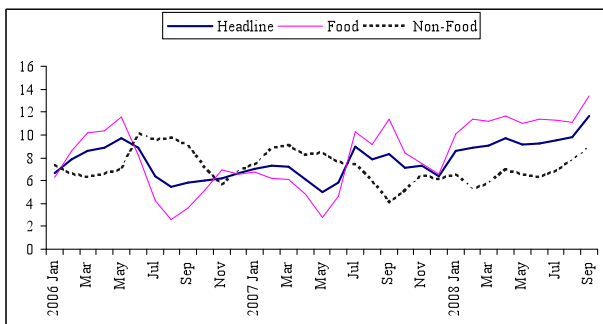
**Table 1.1: Annual Percentage Change in Consumer Price Index (All-Urban)**

*(Base: Dec 2001 = 100)*

Major Commodity Group	Weight (%)	2006			2007			2008		
		Jul	Aug	Sep	Jul	Aug	Sep	Jul	Aug	Sep
<b>Headline/Overall</b>	<b>100.0</b>	<b>6.4</b>	<b>5.5</b>	<b>5.8</b>	<b>9.0</b>	<b>7.8</b>	<b>8.3</b>	<b>9.5</b>	<b>9.8</b>	<b>11.6</b>
<b>Food</b>	<b>55.9</b>	<b>4.3</b>	<b>2.6</b>	<b>3.6</b>	<b>10.3</b>	<b>9.2</b>	<b>11.4</b>	<b>11.2</b>	<b>11.1</b>	<b>13.4</b>
<b>Non-food</b>	<b>44.1</b>	<b>9.5</b>	<b>9.7</b>	<b>9.0</b>	<b>7.4</b>	<b>6.0</b>	<b>4.1</b>	<b>6.9</b>	<b>7.8</b>	<b>8.9</b>
Transportation	9.7	11.9	9.3	12.3	6.8	6.5	4.3	6.0	9.9	9.7
Fuel, Power and Water	8.5	12.7	13.9	9.6	7.3	4.2	1.4	12.0	12.7	15.0
Drinks and Tobacco	6.9	8.0	10.6	10.7	10.8	7.3	6.2	7.9	8.6	8.8
Clothing & Footwear	6.4	8.8	8.1	3.8	5.5	6.4	4.5	1.3	-0.1	2.2
Education	2.6	4.2	4.6	6.1	8.6	8.8	9.2	7.2	7.9	8.3
Furniture & Household Equip.	2.1	8.4	8.2	13.5	7.6	6.9	4.1	5.4	6.9	8.2
H/h Operations Maintenance	2.1	1.5	1.9	4.2	10.7	9.5	6.5	2.0	1.1	3.4
Personal Care & Health	2.1	12.3	14.0	5.3	4.5	3.5	2.2	4.9	5.9	6.9
Rents	1.4	5.0	3.5	3.2	1.7	2.1	2.8	3.5	3.1	2.4
Recreation & Entertainment	0.8	5.1	5.5	10.3	10.6	10.8	9.7	4.4	5.2	6.9
Misc. Goods & Services	1.5	7.3	8.7	9.9	2.0	0.0	-0.8	1.8	1.5	3.4

Source: National Bureau of Statistics and Bank of Tanzania Computation.

**Chart 1.1: Annual Headline, Food and Non-food Inflation**



The rise in the rate of inflation was mainly due to increase in prices of food and fuel. The 12-months average annual headline inflation also rose to 8.9 percent in September 2008 compared to 6.9 percent in the corresponding period (October 2006 to September 2007).

Month-to-month **non-food inflation** declined from 0.7 percent in August 2008 to 0.1 percent in September 2008 due to decrease in average prices of petroleum products. However, the annual non-food inflation went up to 8.9 percent in September 2008 when compared to 7.8 percent in August 2008. The 12-months annual non-food inflation rate was nonetheless lower, averaging 6.5 percent in September 2008

compared to 7.2 percent in the corresponding period a year before.

Month-to-month **food inflation** went up in September 2008 to 3.7 percent, from negative 1.6 percent recorded in August 2008, partly associated with the month of Ramadhan. Similarly, the annual food inflation increased to 13.4 percent in September 2008, compared to 11.1 percent recorded in August 2008 mainly on account of increased prices of cereals, legumes, meat and fruits. The 12-months annual food inflation rate averaged 10.4 percent in September 2008 compared to 6.7 percent in the corresponding period in the preceding year.

## Food Supply Situation

Following the harvest season, food supply situation continued to improve throughout the country in September 2008. During 2008/09 the government planned to purchase 105,000 tons of cereals, and by September 2008 the SGR had purchased a total of 31,251 tons, which is 30.0 percent of the planned amount. At the same period 2,296.9 tons of maize was sold for consumption and distribution to areas facing food shortages.

Wholesale prices of selected food crops generally increased in September 2008 when compared with the corresponding period last year (Table 1.2). Likewise, on month to month basis, prices for most of selected food items increased. However, due to the current global food crisis, the government has instituted a ban on food exports, excessive trading and misuse of cereals in order to ensure the country's ability to meet its food requirement.

**Table 1.2: National average Wholesale Prices for Selected Food Items**

TZS per 100 kg

Item	2007	2008		Percentage change	
	Sep	Aug	Sep	Sept 07 to Sept-08	Aug -08 to Sep-08
Maize	21,756	28,627	29,062	33.6	1.5
Rice	61,832	85,372	95,472	54.4	11.8
Beans	69,348	84,318	99,455	43.4	18.0
Sorghum	27,765	38,125	42,826	54.2	12.3
Potatoes	37,282	39,157	38,959	4.5	-0.5

Source: Ministry of Industry, Trade and Marketing

## The Strategic Grain Reserves

By the end of September 2008, the SGR stock increased by 10.2 percent to 102,225 tons from 83,131 tons recorded in August 2008 (Table 1.3) mainly due to domestic purchases. On annual basis the stock decreased by 22.5 percent to 102,225 tons from 131,937 tons recorded in September



2007 mainly following sales of SGR stock to areas facing critical food shortage.

**Table 1.3: Strategic Grain Reserve (SGR) Stock**

Period	Tons						% Change 2007- 2008
	2003	2004	2005	2006	2007	2008	
January	59,961	35,342	119,924	76,813	112,343	139,765	24.4
February	59,493	23,791	116,383	43,593	117,838	133,898	13.6
March	58,976	22,903	114,760	8,055	121,046	119,022	-1.7
April	54,118	32,387	115,262	3,165	125,509	94,509	-24.7
May	52,857	31,732	113,823	6,210	128,350	79,369	-38.2
June	51,060	37,091	112,823	15,560	128,804	76,649	-40.5
July	50,661	39,195	112,323	13,811	129,306	75,438	-41.7
August	52,681	45,988	112,067	28,440	125,653	83,131	-33.8
September	61,364	67,685	111,971	80,248	131,937	102,225	-22.5
October	59,379	92,710	111,695	87,461	143,717		
November	52,054	108,448	106,428	100,828	142,624		
December	41,649	114,030	93,051	110,203	142,044		

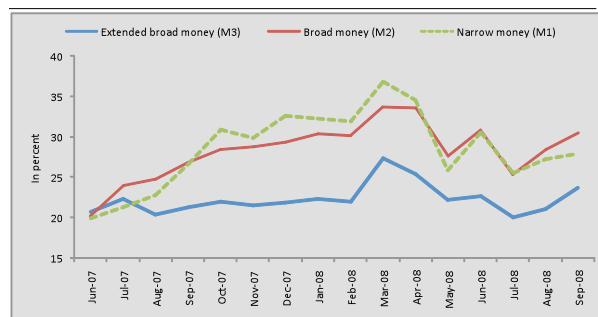
Source: Food Security Department and BOT computation.

## 2.0 Monetary and Financial Developments

### Money Supply

The rate of expansion of monetary aggregates increased in the year ending September 2008, mainly on account of sustained strong growth of credit to the private sector by banks. Annual growth rate of extended broad money supply (M3) edged up to 23.7 percent in September 2008, from 21.1 percent recorded in the preceding month and 21.3 percent registered in the corresponding month in 2007. Likewise, broad money supply (M2) rose to 30.5 percent from 28.4 percent recorded in the previous month and 26.8 percent registered in the corresponding month in 2007 (Chart 2.1 and Table 2.1). Meanwhile, the growth of net foreign assets of the banking system slowed, partly associated with sustained high current account deficit.

**Chart 2.1: Annual Growth Rates of Monetary Aggregates**



Source: Bank of Tanzania

In terms of its components, most of the increase in money supply happened in time and demand deposits, followed

by currency in circulation and savings deposit (Table 2.1). Foreign currency deposits however, maintained a slower annual growth rates in 2008, when compared with growth rates recorded in the corresponding period of previous year. The slower growth in foreign currency deposits is mainly linked with the stability of the shilling experienced in most part of 2008.

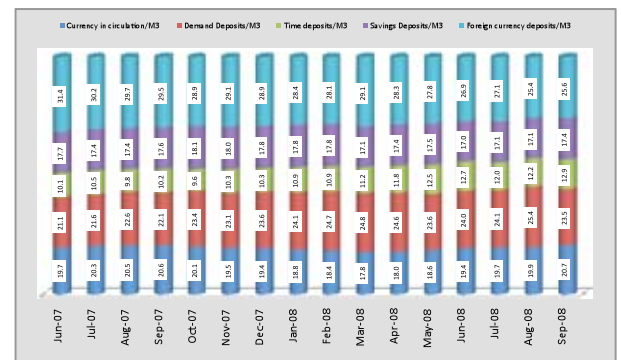
**Table 2.1: Selected Money Supply Components**

Period	Tons						% Change 2007- 2008
	2003	2004	2005	2006	2007	2008	
January	59,961	35,342	119,924	76,813	112,343	139,765	24.4
February	59,493	23,791	116,383	43,593	117,838	133,898	13.6
March	58,976	22,903	114,760	8,055	121,046	119,022	-1.7
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December	41,649	114,030	93,051	110,203	142,044		

Source: Bank of Tanzania

In terms of ratios to M3, all components of money supply increased, except demand deposits which declined from 25.4 percent in August 2008 to 23.5 percent in September 2008. Foreign currency deposits sustained its dominant share, followed by demand deposits and currency in circulation (Chart 2.2).

**Chart 2.2: Components of Money Supply as Percentage of M3**



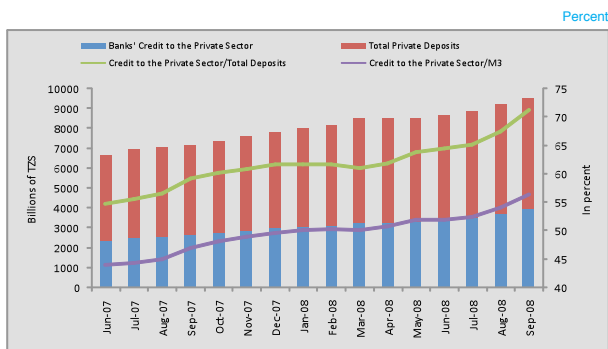
### Credit Developments

Creation of credit by banks to the private sector has remained strong, which is in line with the expansion of activities related to trade, transport and communications, manufacturing, and marketing of agricultural products. In the year ending September 2008, credit to the private sector registered a growth rate of 48.5 percent, which is the highest in recent past, and higher than 45.4 percent recorded in August 2008. The ratio of private sector credit to total private deposits rose notably reaching 71.2 percent compared with an average of



51.4 percent in the past five years. In August 2008, the ratio of private sector credit to total private deposit liabilities of banks was 67.4 percent (Chart 2.3).

**Chart 2.3: Total Deposits and Credit of the Banking System**



Source: Bank of Tanzania

## Interest rates Developments

During September 2008, interest rate developments on domestic currency denominated financial products exhibited a rising pattern. The overall weighted average Treasury bill rate increased from 9.47 percent in August 2008 to 10.17 percent September. Similarly, 364-day bill yield rose from 11.48 percent in August to 11.56 percent in September. Overnight interbank cash market rate also went up from 3.70 percent to 4.32 percent during the same period.

Likewise, interest rates offered by banks registered sizeable increase, whereby 12-month time deposit rate rose from 7.48 percent in August 2008 to an average of 7.57 percent in September. Savings deposit rate improved to an average of 2.64 percent from 2.61 recorded in August, while negotiated deposit rate increased from 9.63 percent in August 2008 to 10.27 percent in September 2008. On the other hand, overall bank lending rate increased from 14.83 percent in August 2008 to 14.91 percent in September. Negotiated lending rate, edged up as well to 12.68 percent in September 2008 from 12.18 percent recorded in the previous month (Table 2.2). The general rising pattern in interest rates reflects relatively higher cost of funds in September compared with the developments in the preceding month.

**Table 2.2: Weighted Average Interest Rates Structure**

Item	2007				2008						
	Sep	Oct	Nov	Dec	Mar	Apr	May	Jun	Jul	Aug	Sep
Overall Interbank cash market rate	12.27	18.92	9.67	5.83	4.24	4.12	3.83	3.61	3.61	3.70	4.32
Overnight interbank cash market	12.07	18.64	10.19	5.37	4.11	3.85	3.59	3.45	3.49	3.64	4.19
REPO Rate	11.56	11.34	7.36	5.13	3.82	3.67	3.66	3.75	3.79	3.76	4.02
Overall Treasury bills rate	15.59	16.42	12.45	11.40	7.39	7.05	7.00	7.84	9.46	9.47	10.17
364 days	16.98	17.86	13.68	12.95	9.40	9.43	9.03	10.00	11.15	11.48	11.56
Savings Deposit Rate	2.62	2.59	2.63	2.65	2.64	2.75	2.74	2.79	2.64	2.61	2.64
Overall Time Deposits Rate	7.99	8.28	8.20	8.33	8.02	7.56	6.71	6.66	6.58	5.81	6.21
12 month time deposit rate	9.64	10.22	9.85	10.08	9.33	9.18	8.76	8.29	8.17	7.48	7.57
Negotiated Deposit Rate	9.83	10.61	10.96	11.04	10.29	11.20	11.07	10.62	9.26	9.63	10.27
Overall Lending rate	15.97	15.82	15.98	15.31	15.15	14.74	14.78	14.76	15.05	14.83	14.91
Short-term lending rate (up to 1 year)	14.29	14.13	14.35	15.01	13.90	13.08	13.58	13.93	13.35	13.86	14.04
Negotiated Lending Rate	11.91	11.89	11.68	11.98	11.82	12.77	12.57	13.07	11.01	12.18	12.68
Margin between short-term lending and one-year time deposit rates	4.65	3.91	4.50	4.94	4.57	3.90	4.82	5.64	5.18	6.38	6.48

Source: Commercial banks and Bank of Tanzania

## Financial Markets Developments

### Treasury Bills

The remaining residual controls in the capital account transactions in Tanzania, has helped to cushion the domestic financial market from the effects of the recent global financial turmoil. In particular, demand for Treasury bill closed at TZS 267.2 billion in September 2008, almost the same level as registered in the preceding month, against a total supply of TZS 251.5 billion. The market however, had some outlier bidders that led the Bank to intervene and accept Treasury bill with face value of TZS 162.2 billion (or cost value of TZS 153.2 billion). The successful bids accounted for 64.5 percent of the total amount offered. In the same month, Treasury bill worth TZS 180.2 billion matured. Weighted average yields rose across all maturities during the month under review, with overall weighted average Treasury bill rate reaching an average of 10.17 percent in September 2008 from 9.47 percent registered in the preceding month (Chart 2.4).

**Chart 2.4: Treasury Bills Market Developments**



Source: Bank of Tanzania



## Treasury Bonds

In the Treasury bond market, demand remained in favour of the short end of the market, with demand for 2-year bond reaching TZS 72.3 billion in September 2008 against a total supply of TZS 22 billion. The Bank however accepted bids with face value of TZS 44.9 billion (or TZS 40.8 billion at cost value), after removing outlier bidders. Yield increased to 13.20 percent in September 2008 from 12.87 percent registered since June 2008, when 2-year bond was lastly auctioned.

## Repurchase Agreements

In September 2008, the Bank maintained frequent sale of repurchase agreements with maximum maturity of 14-days, to supplement Treasury securities in moping up excess liquidity in the banking system. During the month under review repurchase agreements amounting to TZS 586.0 billion were conducted against redemption of TZS 625.5 billion. Repo rate edged up from 3.76 percent in August 2008 to an average of 4.02 percent in September.

## Inter-Bank Cash market Developments

Inter-bank cash market remained vibrant during September 2008, with transactions among banks amounting to TZS 336.4 billion compared with TZS 344.5 billion traded in the preceding month. Overnight transactions declined during September but remained dominant, amounting to TZS 153.2 billion and accounting for 46 percent of the total interbank cash market transactions. In the preceding month, overnight transactions amounted to TZS 206.9 billion, which was about 60 percent of the total interbank cash transactions. Overnight interbank market rate maintained its rising pattern since July 2008 when it was 3.49 percent, rising to 3.64 percent in August and further up to 4.19 percent in September 2008. The rising trend partly reflects relative increase in demand for cash by some banks during the month under review, following the continued tight monetary policy measures pursued by the Bank. Meanwhile, overall interbank cash market rate rose to an averaged of 4.32 percent in September 2008 from 3.61 percent in July and 3.70 percent in August.

## Inter-Bank Foreign Exchange Market

In September 2008, the volume of transactions traded in the Inter-Bank Foreign Exchange Market (IFEM) went up notably to USD 148.0 million compared to USD 100.3 million recorded in the previous month (Table 2.3).



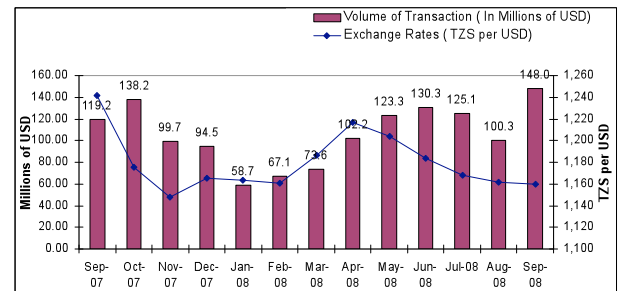
**Table 2.3: Inter Bank Foreign Exchange Market Developments**

Item	2008		2007 Sep	% Change		Year Ending September		% Change
	Aug	Sept		Monthly	Yearly	2007	2008	
Amount Offered*	100.25	147.96	119.20	47.59	24.13	1,133.46	1,260.78	11.23
Amount Sold*	100.25	147.96	119.20	47.59	24.13	1,133.46	1,260.78	11.23
Exchange Rate (TZS per US Dollar)	1,161.17	1,159.49	1,241.22	-0.15	-6.58	1,269.39	1,174.31	-7.49

Source: Bank of Tanzania  
\* Millions of USD

The surge in the volume traded largely emanated from high demand of foreign exchange from corporate clients for importation of capital and intermediate goods. As a result, the Bank of Tanzania participated actively on the supply side of the market as it sold USD 50.0 million, while commercial banks and non-banks purchased USD 49.97 million and USD 0.03 million, respectively. The weighted average exchange rate appreciated slightly to TZS 1,159.5 per USD in September 2008 from TZS 1,161.2 per USD recorded in August 2008 (Chart 2.5).

**Chart 2.5: Inter-bank Exchange Rate Movement and Volume of Transactions**



Source: Bank of Tanzania

## Transactions in Bureau de Change System

The volume of transactions conducted by Bureau de Change system declined moderately to USD 75.3 million. This development was partly due to fall in both foreign exchange outflows and inflows, following declines in medical expenses and NGO receipts, respectively. The buying rate recorded a slight appreciation to TZS 1,153.0 per USD from TZS 1154.0 per USD, while the selling rate depreciated slightly to TZS 1,171.0 per USD from TZS 1,170.0 per USD recorded in August 2008, respectively (Table 2.4).

**Table 2.4: Bureau de Change Operations**

Item	2008		2007 Sep	% Change		Year Ending September		% Change
	Aug	Sep		Monthly	Yearly	2007	2008	
Sales*	43.11	38.75	37.02	-10.11	4.67	394.26	451.61	14.55
Purchases*	42.77	36.50	36.24	-14.66	0.72	395.43	455.71	15.24
Volume of Transactions*	85.88	75.25	73.26	-12.38	2.72	789.69	907.32	14.90
Buying rate (TZS per US dollar)	1,154.00	1,153.00	1,250.00	-0.09	-7.76	1,265.33	1,175.70	-7.08
Selling rate (TZS per US dollar)	1,170.00	1,171.00	1,277.00	0.09	-8.30	1,286.61	1,203.83	-6.43

Source: Bank of Tanzania  
\* Millions of USD



## 3.0 Government Budgetary Operations

The central government budgetary operation for the month of September 2008 recorded a deficit of TZS 31.5 billion, which was an improvement compared to previous month level, owing to disbursement of funds from the development partners.

### Revenue Performance

Total revenue collected by Government during the month of September 2008 amounted to TZS 437.8 billion, which was close to the target of TZS 437.3 billion. This achievement was largely contributed by tax revenue that accounted 96.1 percent of total revenue. Good performance was registered in VAT on domestic products, fuel levy and transit fees. On the contrary, revenue collection from imports performed below the target of TZS 138.2 billion by TZS 7.3 billion. Also, non-tax revenue was below the expected collection of TZS 22.3 billion by TZS 5.4 billion.

### Government Expenditure

Total operating and development expenditure of the Government corresponding to the month under review stood at TZS 701.0 billion. Out of the total expenditure, TZS 549.1 billion was used to cover recurrent expenses while development expenditure utilized TZS 151.9 billion.

### Overall Budget Position

Overall performance of the budgetary operations in the period under review, after adjustments, recorded a lower deficit of TZS 31.5 billion compared with a deficit of TZS 156.3 billion in the previous month. During the month the government received foreign financing amounting to TZS 94.9 billion, part of which was used to finance the deficit and the rest to build up government deposits in the banking system.

## 4.0 External Sector Performance

### Current Account Balance

During the year ending September 2008, the current account deficit widened to USD 2,910.9 million from a deficit of USD 1,733.93 million recorded in the corresponding period a year before. This development was largely attributed to a significant decrease in official current transfers and an increase in imports that could not be matched with the increase in exports. During the review period, imports of goods and services increased by 29.4 percent compared to an increase of 22.6 percent recorded in exports. Official current transfers declined to USD 432.1 million in year to September 2008 from USD 679.1 million recorded during the year ending September 2007, due to delays in commencement of disbursements by development partners (Table 4.1)

**Table 4.1: Current Account Balance**

Millions of USD

Item	September		2008p		Year Ending September		%
	2006	2007	Aug	Sep	2007p	2008p	
<b>Goods Account (net)</b>	<b>-231.4</b>	<b>-238.6</b>	<b>-386.5</b>	<b>-396.0</b>	<b>-2,613.5</b>	<b>-3,667.4</b>	<b>40.3</b>
Exports	137.4	177.7	200.5	218.1	1,948.4	2,487.8	27.7
Imports	368.8	416.2	587.1	614.1	4,561.8	6,155.2	34.9
<b>Services Account (net)</b>	<b>5.7</b>	<b>0.7</b>	<b>45.4</b>	<b>47.6</b>	<b>231.9</b>	<b>337.8</b>	<b>45.7</b>
Receipts	137.5	130.1	165.9	175.8	1,644.9	1,916.8	16.5
Payments	131.8	129.4	120.5	128.2	1,412.9	1,579.0	11.8
<b>Goods and services (net)</b>	<b>-225.7</b>	<b>-237.8</b>	<b>-341.2</b>	<b>-348.4</b>	<b>-2,381.5</b>	<b>-3,329.6</b>	<b>39.8</b>
Exports of goods and services	274.9	307.7	366.4	393.9	3,593.2	4,404.6	22.6
Imports of goods and services	500.6	545.6	707.6	742.3	5,974.8	7,734.2	29.4
<b>Income Account (net)</b>	<b>-4.5</b>	<b>-6.4</b>	<b>4.3</b>	<b>-4.5</b>	<b>-54.4</b>	<b>-28.2</b>	<b>-48.2</b>
Receipts	7.7	9.3	16.8	14.7	100.5	146.8	46.1
Payments	12.2	15.7	12.5	19.1	154.9	175.0	13.0
<b>Current Transfers (net)</b>	<b>32.7</b>	<b>20.5</b>	<b>11.8</b>	<b>214.3</b>	<b>702.0</b>	<b>446.9</b>	<b>-36.3</b>
Inflows	37.7	32.0	17.8	223.0	774.7	529.0	-31.7
o/w General							
Government	30.3	8.6	9.6	214.9	679.1	432.1	-36.4
Outflows	5.0	11.5	6.0	8.6	72.7	82.1	13.0
<b>Current Account Balance</b>	<b>-197.5</b>	<b>-223.8</b>	<b>-325.1</b>	<b>-138.5</b>	<b>-1,733.9</b>	<b>-2,910.9</b>	<b>67.9</b>

Source: Bank of Tanzania

Note: P = Provisional

Totals July not add up due to rounding of numbers

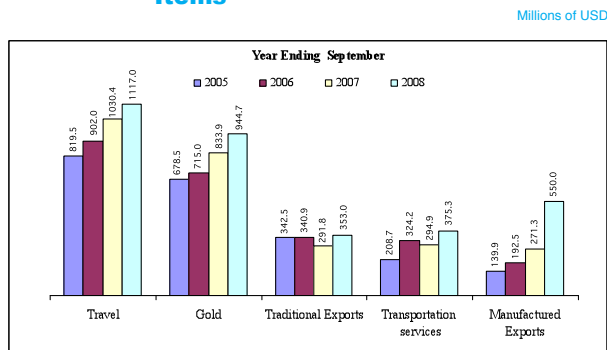
Other external sector developments for September 2008, indicate that exports of goods and services increased by 7.5 percent to USD 393.9 million compared to the amount recorded in the previous month. Likewise, imports of goods and services went up to USD 742.3 million compared to USD 707.6 million in August 2008. Improvement was recorded in disbursement of official current transfers as development partners started releasing funds under General Budget support (GBS). As a result, official current transfers increased from USD 17.8 million in the previous month to USD 223.0 million.



## Exports Performance

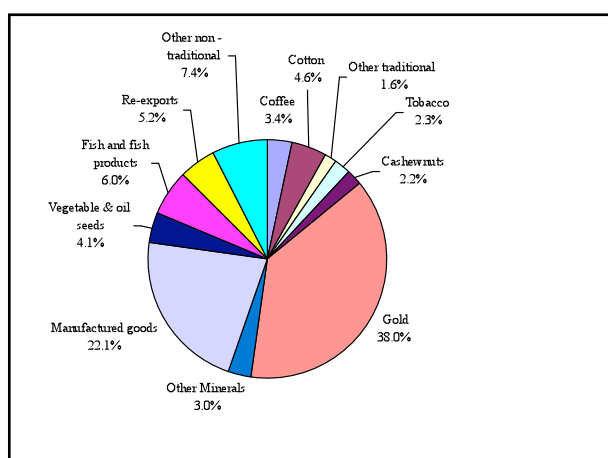
During the year ending September 2008, total export of goods and services went up to USD 4,404.6 million from USD 3,591.7 million recorded in the corresponding period a year before. Much of the increase was recorded in export of manufactured goods. As a share of total exports, travel and gold receipts continued to dominate, accounting for 25.4 percent and 21.4 percent, respectively. [Chart 4.1](#) summarizes the performance of selected export items during the past four years.

**Chart 4.1: Performance of Selected Exports Items**



Goods export increased by 27.7 percent to USD 2,487.8 million on account of the improved performance in traditional and non-traditional exports. During the review period, traditional and non-traditional exports recorded increases of 21.0 percent and 28.9 percent, respectively. Meanwhile, gold continued to dominate accounting for 38.0 percent of total good export, followed by manufactured goods which accounted for 22.1 percent ([Chart 4.2](#)).

**Chart 4.2: Contribution of Selected Items to Total Exports of Goods**



Note:

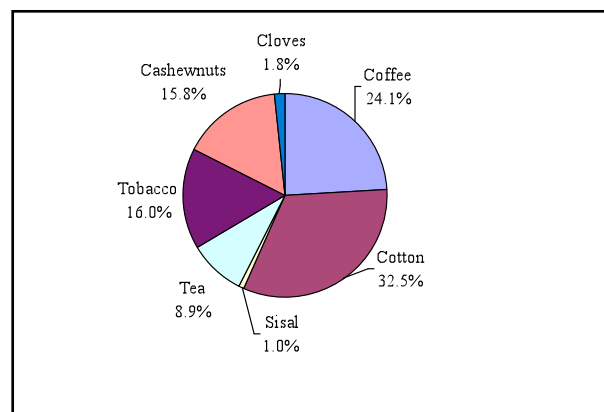
1. Other non-traditional include horticultural products and other exports
2. Other traditional exports include sisal, tea and cloves
3. Other minerals include Tanzanite, rubies, sapphires, emeralds, copper, silver and other precious stones.
4. Re-exports refers to goods that are imported and later exported to neighboring countries. Major items in this category include wheat and refined petroleum products

## Traditional Exports

In September 2008, the value of traditional exports increased to USD 36.1 million from USD 29.3 million recorded in the previous month, mainly on account of increases in volumes and unit prices for most of the traditional crops. The increases in export volumes reflect the onset of export season, while the rise in unit prices in line with the developments in the world market.

During the year ending September 2008, traditional exports increased by 21.0 percent to USD 353.0 million largely due to a significant increase in export volumes of cotton following bumper harvest of the crop. The volume of cotton exported increased significantly from 35,490 tons in the preceding year to 92,995 tons. Likewise, there was an increase in export volumes of cashewnuts to 76,641 tons from 57,821 tons during the year ending September 2007. All traditional exports save for tobacco, recorded increases in export unit prices. [Chart 4.3](#) depicts the contribution of individual crops to total traditional exports.

**Chart 4.3: Contribution to Total Traditional Exports for the Year Ending September 2008**



## Non-Traditional Exports

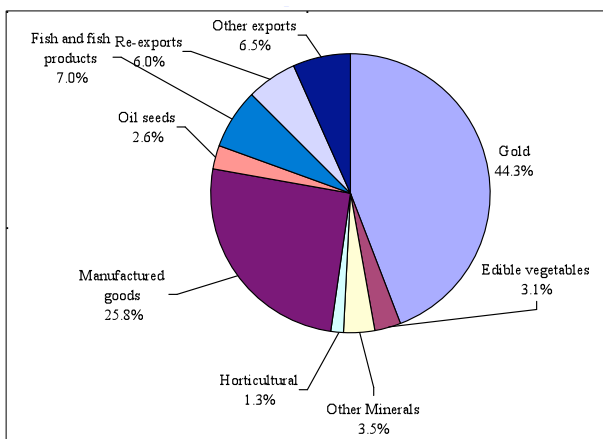
During the month under review, non-traditional exports declined marginally to USD 182.1 million from USD 187.0 million recorded in the previous month mainly on account of the decrease in exports of manufactured goods, minerals and re-exports.

On annual basis, non-traditional exports increased by 28.9 percent to USD 2,134.8 million. Much of the increase was largely due to impressive performance in manufactured goods export, which more than doubled to USD 550.0 million from USD 271.3 million recorded during the year ending September 2007. Some of the manufactured goods that are exported include wheat flour, plastic items, electrical equipment and



vegetable fats and oils. Most of the manufactured goods are exported to the neighboring countries. Other non-traditional exports that recorded significant increases include other exports and horticultural products mainly cut flowers. Improved performance of the value of horticultural exports by 48.5 percent to USD 27.2 million was largely due to the expansion of production. On the other hand, gold exports rose by 13.3 percent to USD 944.7 million following an increase in prices in the world market as export volumes recorded a decline. While the volume of gold exports went down to 33.6 tons from 42.7 tons, recorded in the corresponding period a year before, the prices of gold in the world market increased to USD 870.1 per troy ounce from USD 651.7 per troy ounce in the same period. **Chart 4.4** depicts the composition of non-traditional exports for the year ending September 2008.

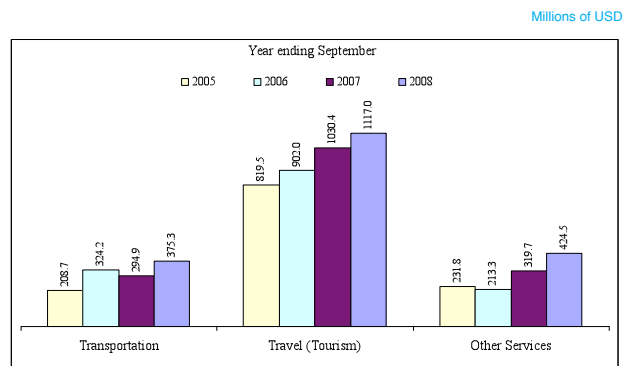
**Chart 4.4: Contribution to total Non Traditional Exports for the Year Ending September 2008**



## Services Export

During September 2008, export of services increased by 5.9 percent to USD 175.8 million as a result of an increase in transportation, travel and other business services. On an annual basis, services receipt maintained its upward trend, increasing to USD 1,916.8 million following improvement in transportation, travel, insurance and other business services receipts. Travel which accounted for about 60 percent of total service receipts increased to USD 1,117.0 million from USD 1,030.4 million recorded during the corresponding period a year before. The development is partly a result of on-going promotional campaigns of Tanzania's tourist attractions especially in United States and United Kingdom. In addition, there has been an increase in the number of international flights to the country and improvement in accommodation facilities on both the Mainland and Zanzibar. **Chart 4.5** depicts performance of the main service exports during the past four years.

**Chart 4.5: Service Receipts 2004 – 2008**



Note: 'Other Services' include: Communication, Construction, Insurance, Financial, Computer Information, Government, Royalties, and Personal and Other business services

## Imports Performance

During the month under review, goods import increased by 4.6 percent to USD 614.1 million following increase in most of import sub categories. Importation of consumer goods increased by 22.0 percent to USD 136.1 million compared to the amount recorded in the previous month. The increase is attributed to a surge in importation of food and foodstuff particularly cereals which increased to USD 44.9 million from USD 5.6 million in August 2008. Similarly, intermediate goods increased by 10 percent to USD 230.2 million with much of the increase driven by importation of oil and industrial raw materials. On the other hand, importation of capital goods decreased by 7.0 percent to USD 247.8 million with transport equipment and machinery accounting for the decrease (Table 4.2).

**Table 4.2: Imports**

Item	2007 P		2008		% Change		Year Ending September <sup>P</sup>		
	Aug	Sep	Aug	Sep	Sep 07 - Sep 08	Aug 08 - Sep 08	2007	2008	Change
	Capital Goods	135.61	266.55	247.79	82.72	-7.04	1,672.84	2,487.39	48.69
Transport Equipments	36.58	72.00	61.46	68.02	-14.65	437.96	744.21	73.90	
Building and Constructions	35.09	51.77	57.74	64.53	11.52	394.27	560.71	42.21	
Machinery	63.94	142.77	128.60	101.12	-9.93	850.61	1,182.47	39.01	
Intermediate Goods	196.22	209.02	230.21	17.32	10.14	1,910.92	2,427.73	27.04	
Oil imports	147.48	169.92	179.03	21.39	5.36	1,433.42	1,774.05	23.76	
Fertilizers	9.79	1.02	4.82	-50.74	--	58.39	117.46	101.17	
Industrial raw materials	38.94	38.07	46.36	19.05	21.76	419.11	536.21	27.94	
Consumer Goods	84.39	111.51	136.09	61.27	22.04	978.04	1,240.06	26.79	
Food and food stuffs	20.12	19.54	47.57	136.41	143.45	233.28	327.12	40.23	
All other consumer goods <sup>1</sup>	64.26	91.97	88.51	37.74	-3.75	744.77	912.94	22.58	
Grand Total (f.a.b)	416.21	587.07	614.09	47.54	4.60	4,561.81	6,155.18	34.93	

Note:  
Oil imports refers to refined petroleum products  
P = provisional data  
1 It includes pharmaceutical products, paper products, plastic items, optical/photographic materials, textile apparels.  
Totals July not ad up due to rounding of numbers  
Source: Bank of Tanzania and Tanzania Revenue Authority

During September 2008, the total value of major cereal imports amounted to USD 44.1 million from USD 5.3 million recorded in the previous month. This development is largely attributed to a surge in importation of wheat from USD 4.6 million recorded in August 2008 to USD 43.6 million. It is worthy noting that some of the imported wheat is re-exported to neighboring land-locked countries and part of it is milled and exported as wheat flour. **Table 4.3** summarizes the import of major cereals during the last four months beginning June 2008.



**Table 4.3: Summary of Selected Food Imports**

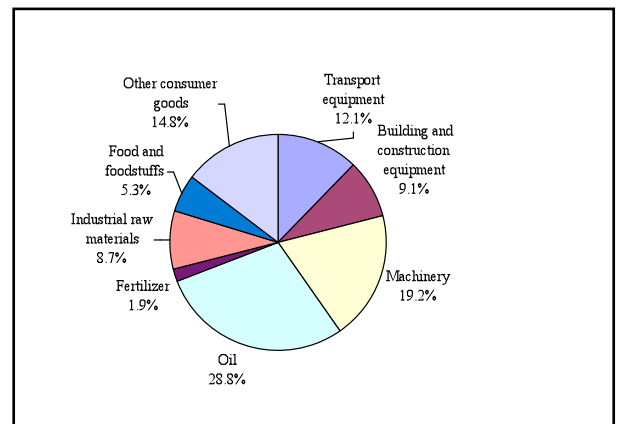
Item	Jun-08	Jul-08	Aug-08	Sep-08	% Change (Aug 08 – Sept 08)
<b>Maize</b>					
Tons	2.0	244.6	314.4	370.8	17.9
Value (Mill. USD)	0.002	0.315	0.265	0.461	74.1
<b>Rice</b>					
Tons	1,054	3,604	2,513	210	-91.7
Value (Mill. USD)	0.21	0.45	0.41	0.04	-90.8
<b>Wheat</b>					
Tons	7,019	2,031	10,600	109,084	..
Value (Mill. USD)	2.72	0.02	4.59	43.56	..
<b>Total tons</b>	<b>8,075</b>	<b>5,880</b>	<b>13,428</b>	<b>109,665</b>	<b>--</b>
<b>Total Value (Mill. USD)</b>	<b>2.9</b>	<b>0.8</b>	<b>5.3</b>	<b>44.1</b>	<b>--</b>

Note --, very large number  
Source: Tanzania Revenue Authority

On annual basis, goods import went up by 34.0 percent to USD 6,155.2 million with capital and intermediate goods accounting for about 80 percent of total goods imported. Importation of capital goods increased from USD 1,672.8 million in the previous year to USD 2,487.4 million in line with the growth of construction, communication and manufacturing activities.

Similarly, importation of intermediate goods rose to USD 2,427.7 million largely driven by an increase in oil imports following a surge in oil prices in the world market as the volume imported recorded a decline. During the period under review, prices of white products in the world market rose to USD 977.0 per ton from USD 609.1 per ton recorded in the previous year. Meanwhile, the volume of imported oil went down to 2.2 million tons from 2.6 million tons recorded in the previous year. Likewise, consumer goods increased by 26.8 percent to USD 1,240.1 million largely due to a rise in import of food and other consumer goods such as pharmaceutical products, plastic items and paper products. The rise in importation of food and foodstuffs particularly cereals is partly associated with a surge in food prices in the world market following increased demand of cereals for making bio fuels and animal feed (Chart 4.6).

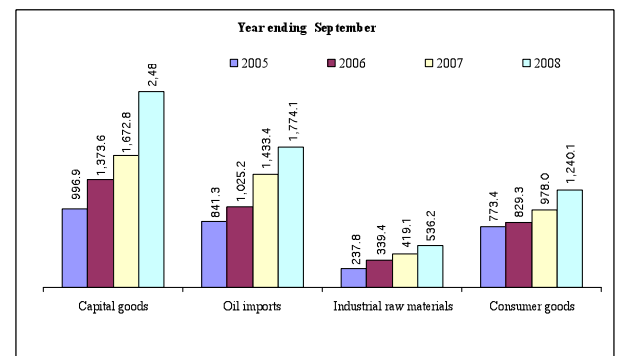
**Chart 4.6: Tanzania: Contribution to Total Imports for the Year Ending September 2008.**



During the past four years, capital goods dominated the total imports followed by intermediate goods (Chart 4.7).

**Chart 4.7: Total Goods Import: 2005-2008**

Millions of USD



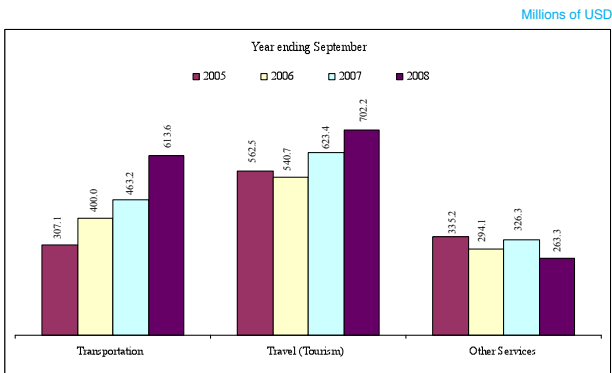
## Services Import

During the month under review, services payments decreased by 4.1 percent to USD 118.5 million on account of the decline in payments of travel and other business services.

On annual basis, services payment increased by 15.3 percent to USD 1,579.0 million, largely due to an increase in payments of freight, travel, insurance and other business services. The increase in freight and insurance payments was in line with the increase in good imports in the country. The performance of the major service payment categories in the past four years is illustrated on Chart 4.8.



**Chart 4.8: Service Payments 2004 – 2008**



Note: 'Other Services' include: Communication, Construction, Insurance, Financial, Computer Information, Government, Royalties, and Personal and Other business services

**Table 4.4: World Commodity Prices**

Commodity	Units	2008			% Change	Year Ending September			% Change
		Jul	Aug	Sep		2006	2007	2008	
Robusta Coffee	USD per kg	2.54	2.48	2.32	-6.45	1.36	1.83	2.35	28.19
Arabica Coffee	USD per kg	3.25	3.23	3.16	-2.17	2.45	2.65	3.15	18.93
Tea (Average price)	USD per kg	2.76	2.74	2.68	-2.19	1.84	1.93	2.47	27.94
Tea (Mombasa auction)	USD per kg	2.41	2.60	2.61	0.38	1.91	1.67	2.18	30.34
Cotton, "A Index"	USD per kg	1.70	1.72	1.62	-5.81	1.27	1.33	1.63	22.87
Cotton, Memphis"	USD per kg	1.73	1.73	1.64	-5.20	1.34	1.37	1.67	21.90
Sisal (UG)	USD per metric ton	1,025.00	1,025.00	1,025.00	0.00	916.25	942.50	1025.00	8.75
Cloves	USD per metric ton	4,600.00	4,950.00	4,512.50	-8.84	3,932.08	3,402.28	4,430.21	30.21
Crude oil*	USD per barrel	132.83	114.57	99.66	-13.01	63.67	63.97	104.89	63.97
Crude oil**	USD per barrel	131.22	113.21	95.97	-15.23	60.28	62.20	101.16	62.64
White products***	USD per ton	1226.99	1046.27	956.79	-8.55	608.13	609.09	977.04	60.41
Jet/Kerosene	USD per ton	1341.23	1127.39	1030.98	-8.55	627.41	623.10	1045.78	67.84
Premium Gasoline	USD per ton	1089.96	952.95	878.27	-7.84	627.02	623.59	899.26	44.21
Heat Oil	USD per ton	1249.78	1058.46	961.11	-9.20	569.97	580.59	986.08	69.84
Gold	USD per troy ounce	939.80	839.00	829.90	-1.08	563.18	651.66	870.08	33.52

Note: \* Average of U. K. Brent, Dubai and West Texas Intl  
\*\* f. o. b. Dubai  
\*\*\* Average of Premium gasoline, Gas oil and Jet/Kerosene, f.o.b. West Mediterranean  
Source: <http://worldbank.org/prospects>, World Bank Public Ledger, Bloomberg Professional

## World Commodity Prices

During September 2008, most of the agricultural and non-agricultural commodity's prices recorded declines in the world market with the exception of sisal and tea (Mombassa auction). The average prices of coffee Robusta and Arabica recorded modest declines to USD 2.3 per kg and USD 3.2 per kg, respectively, on expectation of an increase in production in Brazil and Vietnam during the 2008/09 season. Similarly, the prices of cotton "A Index" and (Memphis) declined by 5.8 percent to USD 1.6 per kg largely due to slowdown in global demand following crisis in the US financial markets. On the other hand, the price of sisal remained unchanged at USD 1,025.0 per metric ton, whereas the price of cloves declined by 8.8 percent to USD 4,512.5 per ton following favourable weather condition in Indonesia and Madagascar. The price of tea (Mombassa Auction) slightly increased to USD 2.6 per kg, while the price of tea (Average Price) registered small decline to USD 2.7 per kg.

During the review period, the average prices of crude oil (UK Brent), Dubai (f.o.b) and white products recorded notable declines to USD 99.7 per barrel, USD 96.0 per barrel and USD 956.8 per ton, respectively. This development was largely on account of the decline in demand for oil in the US and Europe amid global financial turmoil. Meanwhile, gold price declined slightly to USD 829.9 per troy ounce. However, unlike monthly developments, commodity prices in the world market increased on annual basis (Table 4.4).

## 5.0 National Debt Developments

The overall national debt stock stood at USD 7,581.4 million at the end of June 2008, being an increase of 1.4 percent from USD 7,474.1 million reported in May 2008. The increase is mainly on account of the exchange rate fluctuations, accumulated arrears as well as recording of new disbursements. Out of the total debt stock, external debt accounted for 77.1 percent while domestic debt accounted for 22.9 percent.

### External Debt

At the end of June 2008, the external debt stock amounted to USD 5,846.4 million representing an increase of 1.7 percent from USD 5,748.5 million registered at the end of the preceding month. Out of the amount, disbursed outstanding debt (DOD) was USD 4,483.1 million (76.7 percent) and interest arrears USD 1,363.3 million (23.3 percent).

The profile of DOD by creditor category indicates that, debt owed to multilateral institutions stood at USD 2,620.2 million (58.4 percent) while the amount of debt owed to bilateral creditors stood at USD 934.1 million (20.8 percent). Commercial and export credits amounted to USD 617.9 million (13.8 percent) and USD 310.8 million (6.9 percent) respectively (Table 5.1).

**Table 5.1: Disbursed Outstanding Debt by Creditor Category**

Item	May-08	Jun-08	% Change	% of Total
Bilateral Debt	931.0	934.1	0.3	20.8
Multilateral Debt	2,545.0	2,620.2	3.0	58.4
Commercial Debt	615.2	617.9	0.4	13.8
Export Credits	310.5	310.8	0.1	6.9
<b>Total</b>	<b>4,401.7</b>	<b>4,483.1</b>		<b>100.0</b>



In terms of borrower category, the Central Government remained the leading borrower with a debt amounting to USD 3,582.5 million (79.9 percent) followed by private sector debt of USD 744.4 million (16.6 percent) and parastatal companies debt amounting to USD 156.3 million (3.5 percent). [Table 5.2](#) depicts disbursed outstanding debt by borrower category.

**Table 5.2: Disbursed Outstanding Debt by Borrower Category**

Item	Millions of USD			
	May-08	Jun-08	% Change	% of Total
Central Government	3,501.6	3,582.5	2.3	79.9
Parastatal Companies	157.8	156.3	-1.0	3.5
Private Sector	742.3	744.4	0.3	16.6
<b>Total</b>	<b>4,401.7</b>	<b>4,483.1</b>		<b>100.0</b>

During the month under review, there were no new loans contracted. However, the recorded new disbursements amounted to USD 51.0 million. External debt service payments during the month amounted to USD 6.3 million, out of which, principal repayments were USD 3.9 million and interest payments were USD 2.4 million.

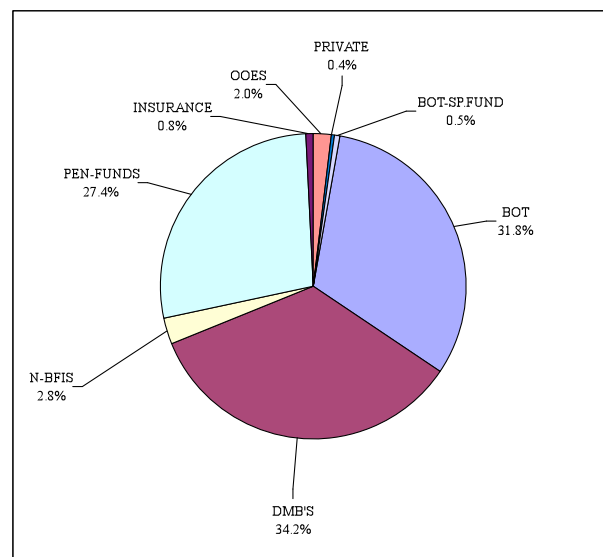
## Domestic Debt

The stock of domestic debt decreased by 0.8 percent from TZS 2,065.8 billion registered at the end of the preceding month to TZS 2,048.9 billion at the end of June 2008. Out of the total domestic debt stock, Government securities accounted for 99.6 percent while other Government debt accounted for 0.4 percent.

The profile of domestic debt by holder category shows that commercial banks remained the leading creditors to the Union Government by holding 34.2 percent of the total domestic debt, followed by Bank of Tanzania with 31.8 percent and

Pension Funds 27.4 percent. Non-Bank Financial Institutions (NBFIs), other official entities, and insurance companies were holding 2.8 percent, 2.0 percent and 0.8 percent respectively. The remaining portion of 0.9 percent was held by private sector and BOT special fund ([Chart 5.1](#)).

**Chart 5.1: Government Domestic Debt by Creditor Category**



During the month under review domestic debt amounting to TZS 104.6 billion fell due for payment, out of which principal amounting to TZS 71.4 billion was rolled over while interest amounting to TZS 33.2 billion was paid.

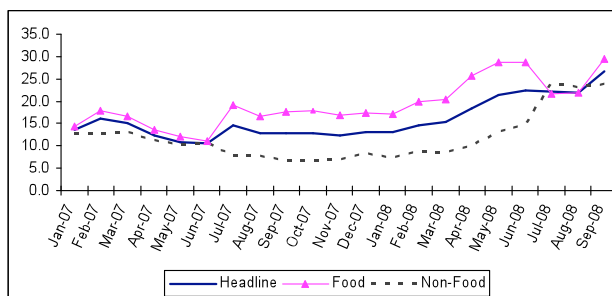


## 6.0 Economic Developments in Zanzibar

### Inflation Developments

During September 2008, **Annual headline inflation** increased sharply to 26.6 percent from 22.0 percent recorded in the year ended August 2008. The increase was mainly driven by drastic increase in food inflation which surged from 21.9 percent in the year ended August 2008 to 29.5 percent during the period under review. Similarly, the month-to-month headline inflation accelerated to 5.8 percent in September 2008 from 0.1 percent registered in previous month, on account of increase in both month-to-month food and non-food inflation (Table 6.1 and Chart 6.1).

**Chart 6.1: Annual Headline, Food and Non-food Inflation**



Source: Office of Chief Government Statistician (OCGS)

**Table 6.1: Annual Percentage Change in Consumer Price Index (CPI)**

Base: Dec.2005=100

Major commodity group	Weights (%)	2007			2008		
		Jul	Aug	Sep	Jul	Aug	Sep
<b>Headline/Overall</b>	<b>100</b>	<b>14.5</b>	<b>12.9</b>	<b>12.4</b>	<b>22.2</b>	<b>22.0</b>	<b>26.6</b>
<b>Food</b>	<b>57.4</b>	<b>19.1</b>	<b>16.6</b>	<b>16.9</b>	<b>21.8</b>	<b>21.9</b>	<b>29.5</b>
<b>Non-Food</b>	<b>42.6</b>	<b>7.7</b>	<b>7.9</b>	<b>7.0</b>	<b>24.0</b>	<b>23.1</b>	<b>23.9</b>
Alcoholic beverages, tobacco & narcotics	0.6	2.9	2.9	2.9	15.0	14.0	14.8
Clothing and footwear	6.2	6.0	4.7	6.4	9.5	9.7	10.4
Housing, water, electricity, gas and other fuels	15.6	8.3	7.5	4.8	36.3	36.2	37.4
Furnishing, household equipment and routine household maintenance	5.3	11.1	10.7	12.7	14.0	14.2	15.1
Health	2.1	10.1	20.7	20.3	24.6	14.5	14.8
Transport	3.4	13.8	8.2	7.6	30.3	28.4	25.8
Communication	2.4	-5.3	-4.5	-4.5	-0.8	-0.8	-2.4
Recreation and culture	0.4	14.0	13.2	12.8	5.2	6.5	6.1
Education	1.1	12.1	12.1	12.1	7.8	7.8	7.8
Restaurants and hotels	3.1	26.7	28.6	17.0	25.3	24.6	28.7
Miscellaneous goods & services	2.4	-5.8	-6.4	-7.4	19.2	17.9	19.8

Source: Office of Chief Government Statistician (OCGS)

**Annual food inflation** increased to 29.5 percent during the year ended September 2008, an acceleration from 21.9 percent recorded in August 2008. The drastic increase in food inflation was associated with price hike of both cereal and non-cereal food items during the month of Ramadhan, particularly rice, fish, bakery products, cassava, yams and

fruits. Similarly, the month-to-month food inflation rose sharply to 9.4 percent in September 2008, compared to 0.1 percent registered in August 2008 on account of increased prices of fish.

**Annual non-food inflation**, increased slightly in September 2008, rising to 23.9 percent from 23.1 percent registered in the year ended August 2008. The increase was mainly associated with increased prices of petroleum products and some items in Restaurants and Hotels category. The **month-to-month** non-food inflation went up to 1.3 percent in September 2008, from 0.0 percent in August 2008, mainly due to an increase in prices of clothing and footwear items.

### Fiscal Performance

The government budgetary operations as at the end September 2008 registered a deficit on cheques cleared basis of TZS 0.7 billion compared with a deficit of TZS 3.2 billion, recorded in the previous month. This was mainly on account of adherence to cash budget system. Total resources amounted to TZS 11.4 billion, which was below the target of TZS 15.5 billion by 26.5 percent. Domestic sources contributed TZS 10.7 billion, accounting for 91.4 percent of total resources while TZS 0.7 billion or 8.6 percent were foreign grants. Total expenditure amounted to TZS 12.5 billion compared to the target of TZS 17.4 billion and TZS 16.0 billion spent in August 2008. The budget deficit was entirely financed by foreign sources.

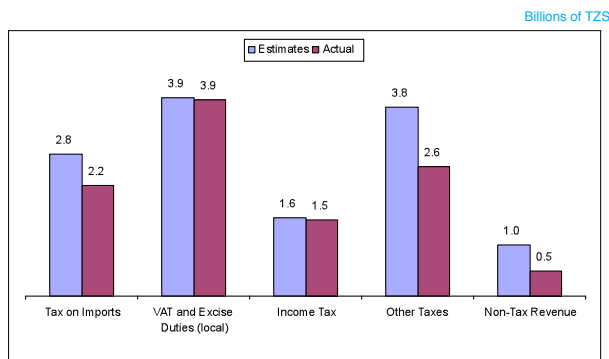
### Revenue

Revenue realized during the period under review was TZS 10.7 billion, being below the target of TZS 13.1 billion on account of under collection of import tax, other taxes and non-tax revenue. Tax revenue reached TZS 10.2 billion, while the target was TZS 12.1 billion and accounted for 95.3 percent of the total collection. Non-tax revenue stood at TZS 0.5 billion, against the target of TZS 1.0 billion.

Revenue performance by category shows that, local VAT and excise duty collections amounted to TZS 3.9 billion, same as targeted, and accounted for 38.2 percent of the tax revenue. The collections surpassed the TZS 3.4 billion collected in the preceding month. Tax on imports amounted to TZS 2.2 billion compared to the target of TZS 2.8 billion. Income tax collection amounted to TZS 1.5 billion; slightly below the target TZS 1.6 billion. Other taxes amounted to TZS 2.6 billion, which was below the target of TZS 3.8 billion. Non-tax revenue reached TZS 0.5 billion, against the target TZS 1.0 billion (Chart 6. 2).



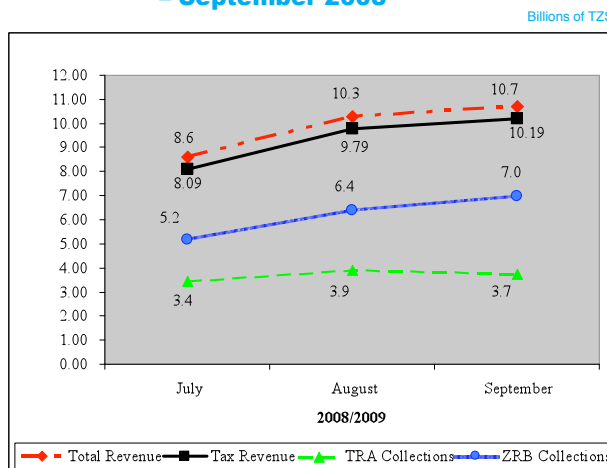
**Chart 6.2: Government Revenue by Source – October 2008**



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Cumulatively for the first three months of 2008/2009, the Government revenue reached TZS 29.6 billion compared to the target of TZS 34.1 billion and accounted for 22.1 percent of the annual target of TZS 134.2 billion (Chart 6.3).

**Chart 6.3: Government Revenue Trend by Collection Agencies July – September 2008**



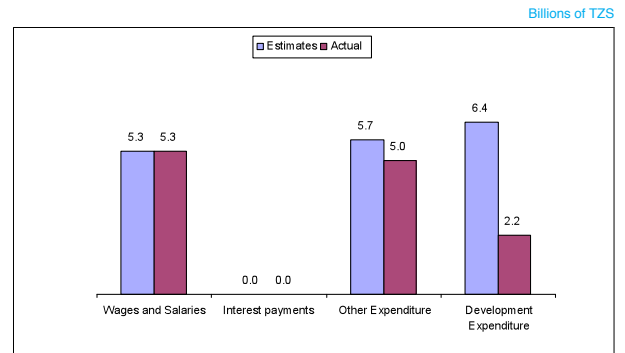
Source: Ministry of Finance and Economic Affairs, Zanzibar.

## Expenditure

Total government expenditure reached TZS 12.5 billion. This was below the target of TZS 17.4 billion and it was put on check by firm adherence to cash budget system. Recurrent expenditure reached TZS 10.3 billion, representing 82.4 percent of total expenditure, while development expenditure stood at TZS 2.2 billion.

The Recurrent expenditure breakdown shows that wages and salaries amounted to TZS 5.3 billion, accounting for 51.5 percent of the recurrent expenditure. Other charges amounted to TZS 5.0 billion which was below the target of TZS 5.7 billion, representing 48.5 percent of the recurrent expenditure (Chart 6.4).

**Chart 6.4: Government Expenditure by Components – September 2008**



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Development expenditure stood at TZS 2.2 billion, compared to the target of TZS 6.4 billion. Government contributions amounted to TZS 0.8 billion which was below the target of TZS 1.6 billion. Donor funds reached TZS 1.4 billion, against the target of TZS 4.7 billion.

Cumulatively for the first three months of 2008/2009, the Government expenditure amounted to TZS 42.7 billion, against the target of TZS 50.7 billion.

## Debt Developments

Zanzibar public debt as at end of September 2008, amounted to TZS 127.3 billion (USD 109.1 million), compared to TZS 127.1 billion (USD 109.1 million) recorded in August 2008. External debt stood at TZS 72.3 billion (USD 61.8 million), representing 56.8 percent of the total debt, while domestic debt stood at TZS 55.1 billion (USD 47.1 million), equivalent to 43.2 percent of total debt. Debt to GDP ratio stood at 24.9 percent.

## Domestic Debt

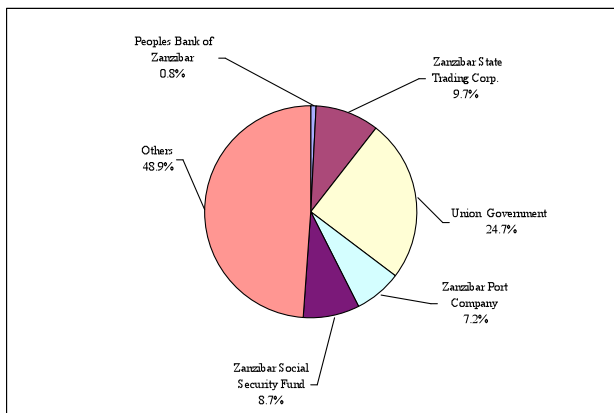
During the month of September 2008, domestic debt amounted to TZS 55.0 billion, compared to TZS 55.1 billion registered in the previous month. The decline was linked with partial repayment of claims by retired civil servants and government suppliers.

Domestic debt by creditor showed that suppliers and pensioners remained dominant, with claims amounting to TZS 26.9 billion, equivalent to 48.9 percent of the total domestic debt. Union Government debt stood at TZS 13.6 billion, while Zanzibar State Trading Corporation (ZSTC) and Zanzibar State Social Security Fund (ZSSF) claims were TZS 5.3 billion and TZS 4.8 billion, respectively. Zanzibar Port Company (ZPC) claims amounted to TZS 3.9 billion, while Peoples Bank of Zanzibar (PBZ) claims amounted to TZS 0.4 billion (Chart 6.5).





**Chart 6. 5: Domestic Debt by Creditor as at End – September 2008**



Source: Ministry of Finance and Economic Affairs-Zanzibar

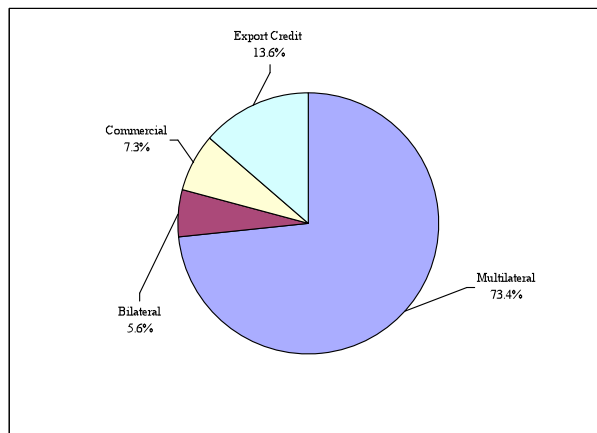
Debt with “undetermined maturity” (predominantly gratuity and supplier’s claims), amounted to TZS 33.8 billion, equivalent to 61.5 percent of domestic debt, while debt maturing between 2 – 5 years stood at TZS 14.7 billion, representing 26.7 percent of domestic debt. Debt maturing in less than a year amounted to TZS 6.5 billion or 11.9 percent of the total domestic debt.

## External Debt

As External debt stood at TZS 72.3 billion (USD 61.8 million) compared to TZS 72.8 billion (USD 62.5 million), recorded in the preceding month. Debt guaranteed by the Union government stood at USD 46.1 million, accounting for 74.6 percent of the external debt, while non-guaranteed debt amounted to USD 15.7 million, accounting for 25.4 percent of total external debt.

Debt due to multilateral creditors amounted to USD 45.4 million (TZS 53.1 billion), or 73.4 percent of the external debt. Bilateral creditors amounted to USD 3.5 million (TZS 4.1 billion), while commercial debt was USD 4.5 million (TZS 5.3 billion). Export credit amounted to USD 8.4 million (TZS 9.8 billion). **Chart 6.6** presents the composition of external debt by creditor category.

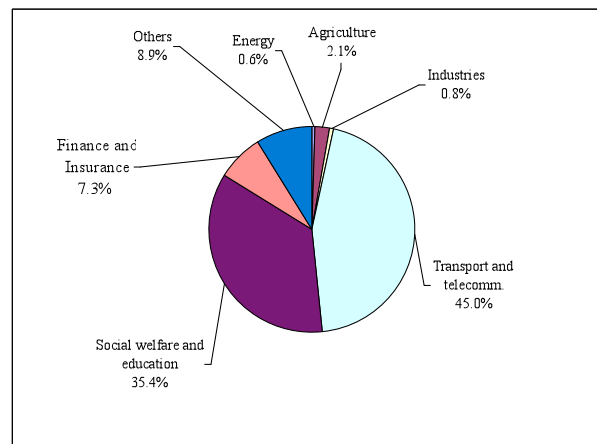
**Chart 6.6: External Debt by Creditor as at End – October 2008**



Source: Ministry of Finance and Economic Affairs-Zanzibar

Composition of external debt by use shows that, at the end of September 2008, transport and telecommunications sectors held USD 27.8 million, while social welfare and education sectors had USD 21.9 million. Finance and Insurance sector had USD 4.5 million, while agriculture and energy sectors held USD 1.3 million and USD 0.4 million. **Chart 6.7** depicts the external debt by use of funds.

**Chart 6.7: External Debt by Use of Funds as at End – September 2008**



Source: Ministry of Finance and Economic Affairs-Zanzibar



# External Sector Performance

## Current Account

During Current account as at end of September 2008, registered a deficit of USD 5.1 million, compared to USD 3.9 million recorded in the month of August 2008, largely caused by a decline in current inflows. Trade account deficit narrowed to USD 7.8 million compared to USD 9.3 million recorded in the preceding month.

On annual basis, the current account recorded a deficit of USD 25.3 million from a surplus of USD 42.5 million posted during the corresponding period in 2007 due to rise in imports bill and decline in foreign inflows. Trade account deficit widened to USD 86.8 million from USD 66.9 million recorded during the corresponding period in 2007 (Table 6.2)

**Table 6.2: Zanzibar Current Account Balance**

Item	Millions of USD							%Change	
	2007		2008p		Year Ending September			Monthly	Annual
	Sep	Aug	Sep	2006	2007	2008 <sup>p</sup>			
<b>Goods Account (net)</b>	<b>-5.1</b>	<b>-9.3</b>	<b>-7.8</b>	<b>-64.8</b>	<b>-66.9</b>	<b>-86.8</b>	<b>-16.1</b>	<b>29.7</b>	
Exports	0.9	1.2	1.2	7.5	16.9	17.5	0.0	3.6	
Imports (fob)	6.0	10.5	9.0	72.3	83.8	104.3	-14.3	24.5	
<b>Services Account (net)</b>	<b>2.1</b>	<b>2.5</b>	<b>2.1</b>	<b>26.3</b>	<b>46.5</b>	<b>26.2</b>	<b>-16.0</b>	<b>-43.7</b>	
Receipts	7.1	8.0	7.7	87.7	91.4	82.3	-3.8	-10.0	
Payments	5.0	5.5	5.6	61.4	44.9	56.1	1.8	24.9	
<b>Goods and Services (net)</b>	<b>-3.0</b>	<b>-6.8</b>	<b>-5.7</b>	<b>-38.5</b>	<b>-20.4</b>	<b>-60.6</b>	<b>-16.2</b>	<b>197.1</b>	
Exports of Goods and Services	8.0	9.2	8.9	95.2	108.3	99.8	-3.3	-7.8	
Imports of Goods and Services	11.0	16.0	14.6	133.7	128.7	160.4	-8.8	24.6	
<b>Income Account (net)</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.1</b>	<b>-0.6</b>			
Receipts	0.0	0.0	0.0	0.2	0.2	0.3		50.0	
Payments	0.1	0.0	0.0	0.0	0.1	0.9		800.0	
<b>Current Transfers (net)</b>	<b>6.2</b>	<b>2.9</b>	<b>0.6</b>	<b>56.9</b>	<b>62.8</b>	<b>35.9</b>	<b>-79.3</b>	<b>-42.8</b>	
Inflows	6.2	2.9	0.6	56.9	62.8	35.9	-79.3	-42.8	
Outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Current Account Balance</b>	<b>3.1</b>	<b>-3.9</b>	<b>-5.1</b>	<b>18.6</b>	<b>42.5</b>	<b>-25.3</b>	<b>30.8</b>	<b>-40.5</b>	

Source: Tanzania Revenue Authority and BOT.

## Exports Performance

Exports of goods and services amounted to USD 8.9 million compared to USD 9.2 million recorded in the preceding month due to slowdown in services receipts. Services proceeds declined to USD 7.7 million from USD 8.0 million, and accounted for 86.5 percent of total exports, while merchandise exports stood at USD 1.2 million, equivalent to 13.5 percent of total exports.

On annual basis, total exports amounted to USD 99.8 million, being below USD 108.3 million realized in the year ending September 2007. The decline was on account of decrease in services receipts to USD 82.3 million from USD 91.4 million earned in the preceding year. Clove exports amounted to USD 4.9 million down from USD 9.7 million a year before, while seaweeds and manufactured exports amounted to

USD 2.6 million and USD 3.8 million, respectively. Fish and fish produce amounted to USD 0.2 million (Table 6.3).

**Table 6.3: Zanzibar Exports by Major Categories**

Commodity	2007	2008p		Year Ending September			%Change	
	Sep	Aug	Sep	2006	2007	2008p	Monthly	Annual
<b>Traditional</b>								
Cloves								
Value	0.04	0.21	0.21	4.23	9.72	4.94	0.28	-49.12
Volume	0.01	0.05	0.05	1.43	3.03	1.27	1.24	-58.05
Unit Price	3,654.50	3,980.36	3,942.43	2,965.22	3,203.64	3,885.12	-0.95	21.27
<b>Non-Traditional</b>								
Seaweeds								
Value	0.16	0.13	0.13	1.46	1.72	2.55	-3.71	48.09
Volume	1.53	0.47	0.45	7.37	8.57	9.08	-3.58	5.94
Unit Price	107.33	282.71	282.36	198.24	200.73	280.58	-0.12	39.78
<b>Manufactured Goods</b>	<b>0.63</b>	<b>0.39</b>	<b>0.40</b>	<b>0.77</b>	<b>3.62</b>	<b>3.78</b>	<b>3.28</b>	<b>4.38</b>
<b>Fish and Fish Produce</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.37</b>	<b>0.16</b>	<b>0.16</b>	<b>8.77</b>	<b>-2.03</b>
<b>Horticultural produce</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		
<b>Others Exports</b>	<b>0.03</b>	<b>0.50</b>	<b>0.49</b>	<b>0.67</b>	<b>1.67</b>	<b>6.08</b>	<b>-1.04</b>	<b>264.64</b>
<b>Sub Total</b>	<b>0.83</b>	<b>1.03</b>	<b>1.03</b>	<b>3.27</b>	<b>7.18</b>	<b>12.57</b>	<b>0.30</b>	<b>75.19</b>
<b>Grand Total</b>	<b>0.87</b>	<b>1.23</b>	<b>1.24</b>	<b>7.50</b>	<b>16.89</b>	<b>17.51</b>	<b>0.3</b>	<b>3.7</b>

P = Provisional data

Source: Tanzania Revenue Authority

## Goods Imports

During the period under review, goods import (c.i.f) amounted to USD 9.9 million, below USD 11.6 million posted in the preceding month, on account of decline in oil imports partly explained by carryover stocks from the previous month. Intermediate goods imports, driven by oil, shrunk by 39.2 percent to USD 3.1 million, whereas capital goods imports stood at USD 4.9 million from USD 4.7 million recorded in August 2008, due to increase in building and construction materials.

On annual basis, goods import (c.i.f) increased by 24.4 percent to USD 114.6 million from USD 92.1 million, largely driven by intermediate goods. Oil imports amounted to USD 31.0 million, and accounted for 27.1 percent of merchandise imports. Capital goods import amounted to USD 48.9 million from USD 44.5 million imported in the year ending September 2007; responding to increase in transport equipments. Food and food stuffs imports stood at USD 7.8 million from USD 7.1 million (Table 6.4).

**Table 6.4: Zanzibar Imports by Major Categories**

Import Category	2007	2008p		Year Ending September			%Change	
	Sep	Aug	Sep	2006	2007	2008p	Monthly	Annual
<b>Capital Goods</b>	<b>3.3</b>	<b>4.74</b>	<b>4.90</b>	<b>32.1</b>	<b>44.5</b>	<b>48.9</b>	<b>3.3</b>	<b>9.9</b>
Transport Equipment	1.8	3.18	3.18	10.5	15.2	28.5	0.0	88.3
Building and Constructions	0.2	0.73	0.89	7.9	12.8	7.4	21.1	-42.4
Machinery	1.3	0.8	0.8	13.7	16.5	12.9	0.5	-21.5
<b>Intermediate Goods</b>	<b>1.0</b>	<b>5.1</b>	<b>3.1</b>	<b>25.0</b>	<b>25.7</b>	<b>44.2</b>	<b>-39.2</b>	<b>72.0</b>
Oil imports	0.3	3.5	1.2	18.6	20.7	31.0	-66.1	49.8
Fertilizers	...	...	...	0.02	0.02	...		
Industrial raw materials	0.8	1.5	1.9	6.4	5.0	13.2	22.1	164.1
<b>Consumer Goods</b>	<b>2.2</b>	<b>1.8</b>	<b>1.9</b>	<b>22.4</b>	<b>22.0</b>	<b>21.5</b>	<b>7.4</b>	<b>-2.0</b>
Food and food stuffs	1.4	0.5	0.5	8.94	7.09	7.81	-10.8	10.1
All other consumer goods	0.9	1.3	1.5	13.43	14.87	13.70	14.7	-7.8
<b>Grand Total (c.i.f)</b>	<b>6.6</b>	<b>11.6</b>	<b>9.9</b>	<b>79.5</b>	<b>92.1</b>	<b>114.6</b>	<b>-14.6</b>	<b>24.4</b>
<b>Grand Total (f.o.b)</b>	<b>6.0</b>	<b>10.5</b>	<b>9.0</b>	<b>72.3</b>	<b>83.8</b>	<b>104.3</b>	<b>-14.6</b>	<b>24.4</b>

p = provisional

... = Very small value

Source: Tanzania Revenue Authority



## Services Account

During the month under review, services account surplus amounted to USD 2.1 million from USD 2.5 million recorded in August 2008, due to decline in tourism activities during the fasting month of Ramadhan. Service receipts went down to USD 7.7 million from USD 8.0 million, while payments amounted to USD 5.6 million compared to USD 5.5 million posted in the previous month. Transportation receipts amounted to USD 3.1 million standing for 40.3 percent of total services receipts.

On year to year basis, the services account surplus declined to USD 26.2 million from USD 46.5 million recorded in 2007. Services receipts declined to USD 82.3 million, from USD 91.4 million, whereas payments increased to USD 56.1 million from USD 44.9 million posted in 2007. Travel receipts declined to USD 43.4 million from USD 78.1 million realized in 2007, and represented 52.7 percent of total services receipts. Travel payments decreased to USD 26.8 million from USD 38.2 million, equivalent to 47.8 percent of total service payments.



## **STATISTICAL TABLES**



**Table A1 : selected Economic Indicators (Annual)**

Item	Unit	1998	1999	2000	2001	2002	2003	2004	2005	2006 <sup>f</sup>	2007*
<b>1. National Accounts and Prices</b>											
1.1 Change in GDP at	Percent	-	14.9	12.9	11.6	14.8	15.9	15.4	14.3	12.4	16.8
1.2 Change in GDP at	Percent	4.1	4.8	4.9	6.0	7.2	6.9	7.8	7.4	6.7	7.1
1.3 GDP Per Capita--	TZS	209,465.7	233,739.8	255,573.3	276,604.1	310,848.4	354,007.6	396,132.4	441,152.1	478,051.4	546,955.7
1.4 GDP Per Capita--	USD	315.1	313.8	319.3	315.6	321.6	340.9	363.7	390.6	381.7	439.5
1.5 Change in Consum	Percent	12.8	7.9	5.9	5.2	4.5	3.5	4.2	4.4	7.3	7.0
1.6 Saving to GNDI	Percent	-	-	-	7.2	8.0	9.6	10.4	8.7	8.5	6.4
<b>2. Money Credit and Interest Rates</b>											
2.1 Change in Extend	Percent	10.8	18.6	14.8	17.1	25.1	16.1	19.3	38.2	22.0	21.4
2.2 Change in Broad	Percent	11.1	15.0	12.5	12.3	18.5	14.2	19.2	36.9	13.7	28.8
2.3 Change in Narrow	Percent	10.5	16.0	9.9	10.2	25.2	16.1	18.2	33.7	9.8	32.7
2.4 Change in Reserv	Percent	14.7	21.5	9.4	5.0	19.1	12.6	23.6	27.7	16.8	30.2
2.5 Total Credit to GI	Percent	8.4	9.4	8.8	7.1	8.0	6.9	7.2	10.5	11.7	12.6
2.6 Private Sector Cr	Percent	3.8	4.2	4.1	4.4	5.5	6.7	7.6	8.9	11.3	13.8
2.7 Ratio of Private C	Percent	45.7	44.6	46.6	62.7	68.4	97.4	104.8	84.6	96.3	109.7
2.8 Average Deposit I	Percent	11.5	10.4	10.1	6.9	5.9	5.3	5.7	6.2	8.3	9.3
2.9 Weighted Average	Percent	10.1	15.5	5.7	3.9	4.5	7.7	9.6	14.8	15.0	11.4
2.10 Average Long-T	Percent	22.0	20.6	21.5	18.0	16.8	12.2	12.7	13.4	14.9	16.1
<b>3. Balance of Payments</b>											
3.1 Exports of goods	Mill. USD	588.5	543.3	733.7	851.3	979.6	1,220.9	1,481.6	1,679.1	1,917.6	2,226.6
3.2 Imports of goods	Mill. USD	1,382.1	1,415.4	-1,367.6	-1,560.3	-1,511.3	-1,933.5	-2,482.8	-2,997.6	-3,864.1	-4,860.6
3.3 Trade Balance	Mill. USD	-793.6	-872.1	-633.9	-709.0	-531.7	-712.6	-1,001.2	-1,318.5	-1,946.5	-2,634.1
3.4 Balance on Curren	Mill. USD	-901.9	-846.2	-665.2	-395.2	78.6	-118.1	-366.7	-864.3	-1,171.6	-1,855.8
3.5 Overall Balance	Mill. USD	-567.2	-128.4	-36.9	-167.5	-317.9	389.1	206.0	-222.4	460.7	532.7
3.7 Gross Official Res	Mill. USD	599.0	776.0	974.0	1,156.6	1,528.4	2,037.8	2,296.1	2,048.4	2,128.3	2,755.2
3.8 Reserves Months	Months	3.1	4.2	5.3	6.5	6.9	7.1	6.6	4.8	4.0	4.5
3.9 Exchange Rate:											
3.9.1 Annual Averag	TZS/USD	664.7	744.8	800.4	876.4	967.1	1,038.9	1,089.1	1,129.2	1,253.9	1,244.1
3.9.2 End of Period	TZS/USD	681.0	797.3	803.3	916.3	976.3	1,063.6	1,043.0	1,165.5	1,261.6	1,132.1
<b>4 Population (TZ Mair</b>	<b>Million</b>	<b>30.0</b>	<b>30.9</b>	<b>31.9</b>	<b>32.9</b>	<b>33.6</b>	<b>34.2</b>	<b>35.3</b>	<b>36.2</b>	<b>37.5</b>	<b>38.3</b>
<b>5. Public Finance</b>											
5.1 Current Revenue t	Percent	11.5	11.4	12.2	11.8	12.3	12.1	13.3	13.8	17.1	
5.2 Grants to GDP Ra	Percent	2.8	4.1	3.7	4.3	3.2	3.7	7.4	6.8	6.2	
5.2 Current Expenditu	Percent	11.0	11.9	13.0	12.7	13.0	12.9	15.1	17.3	20.4	
5.3 Development Exp	Percent	2.2	5.3	3.7	3.9	3.3	3.6	8.6	8.7	8.7	
5.4 Deficit to GDP Ra	Percent	(1.7)	(5.7)	-4.5	-4.8	-4.0	-4.4	-10.4	-12.2	-12.0	
5.5 Deficit to GDP Ra	Percent	1.0	(1.6)	-0.8	-0.5	-0.8	-0.6	-3.0	-5.4	-5.8	
<b>6. Total External Debt</b>	<b>Mill. USD</b>	<b>7,669.7</b>	<b>7,624.8</b>	<b>7,482.1</b>	<b>7,464.0</b>	<b>7,268.1</b>	<b>7,857.0</b>	<b>8,134.8</b>	<b>8,229.5</b>	<b>4,660.9</b>	<b>5,846.4</b>
Disbursed Del	Mill. USD	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0	6,678.3	6,799.5	6,971.1	3,442.3	4,483.1
Interest	Mill. USD	1,089.4	1,086.5	1,169.9	904.3	1,035.1	1,178.7	1,335.3	1,258.3	1,218.6	1,363.3
Total External	Percent	82.1	89.5	80.7	78.5	75.9	83.5	77.5	72.0	36.7	34.6

Note:

<sup>1</sup> Calculated on the basis of GDP at market price

<sup>2</sup> Calculated on the basis of GDP at factor cost

<sup>3</sup> GNDI stands for gross national disposable income

<sup>4</sup> Annual Average

<sup>f</sup> Revised

\* Provisional

Source: Bank of Tanzania Database and National Bureau of Statistics (Economic Survey, National Accounts)



Table A2 : Central Government Operations - Monthly Flows

Item	BUDGET 2008/09	Actual			
		Jul-08	Aug-08	Sep-08	Jul 08 - Sep 08
<b>Total Revenue</b>	<b>4,728,595</b>	<b>319,915.5</b>	<b>303,538.6</b>	<b>437,765.1</b>	<b>1,061,219.2</b>
Tax Revenue	4,485,100	303,484.6	287,597.9	420,844.5	1,011,927.0
Taxes on Imports	1,643,767	132,518.8	107,514.0	130,867.9	370,900.7
Sales/VAT and Excise on Local Goods	1,078,533	70,923.9	80,947.1	98,258.2	250,129.2
Refunds	145,457	10,386.7	10,386.8	10,386.8	31,160.3
Income Taxes	1,425,652	72,058.4	77,421.7	160,946.5	310,426.6
Other taxes	482,605	38,370.2	32,101.9	41,158.7	111,630.8
Non- tax Revenue	243,495	16,430.9	15,940.7	16,920.6	49,292.2
<b>Total Expenditure /1</b>	<b>7,139,103</b>	<b>231,825.0</b>	<b>325,420.1</b>	<b>700,992.1</b>	<b>1,258,237.1</b>
Recurrent expenditure	4,647,623	223,259.6	275,005.6	549,094.1	1,047,359.3
Retention fund	85,318	3,360.2	5,164.0	3,123.5	11,647.7
Wages and salaries	1,570,324	118,265.1	0.0	372,611.6	490,876.8
Interest payments	282,359	25,162.8	5,381.1	13,342.1	43,886.0
Domestic 2/	247,759	25,063.7	4,688.7	10,229.7	39,982.1
Foreign	34,600	99.1	692.4	3,112.4	3,903.9
Other goods, services and transfers	2,709,623	76,471.5	264,460.5	160,016.9	500,948.8
<b>Dev. Expenditure and net lending</b>	<b>2,491,480</b>	<b>8,565.4</b>	<b>50,414.5</b>	<b>151,898.0</b>	<b>210,877.8</b>
Local	940,380	0.0	0.0	30,000.0	30,000.0
Foreign	1,551,100	8,565.4	50,414.5	121,898.0	180,877.8
<b>Overall Balance (cheque issued) before Grants</b>	<b>-2,410,508</b>	<b>88,090.5</b>	<b>-21,881.5</b>	<b>-263,227.0</b>	<b>-197,017.9</b>
<b>Grants</b>	<b>1,441,229</b>	<b>8,953.4</b>	<b>12,755.6</b>	<b>269,922.8</b>	<b>291,631.9</b>
Program (CIS/OGL)	543,905	0.0	0.0	241,294.0	241,294.0
Project	556,366	8,486.9	3,518.6	14,938.0	26,943.5
Basket funds	206,126	0.4	4,272.4	8,735.2	13,008.0
HIPC Relief	134,833	466.1	4,964.7	4,955.6	10,386.4
<b>Overall defic.(cheq.issued) after Grants</b>	<b>-969,279</b>	<b>97,043.9</b>	<b>-9,125.8</b>	<b>6,695.8</b>	<b>94,613.9</b>
Expenditure float	0	-192,050.8	-16,513.5	-4,519.9	-213,084.2
Adjustments to cash and other items (net)	0	41,837.7	-130,652.1	-33,642.2	-122,456.6
<b>Overall Balance (cheques issued)</b>	<b>-969,279</b>	<b>-53,169.2</b>	<b>-156,291.4</b>	<b>-31,466.3</b>	<b>-240,926.9</b>
<b>Financing:</b>	<b>969,279</b>	<b>53,169.2</b>	<b>156,291.4</b>	<b>31,466.3</b>	<b>240,926.9</b>
Foreign Financing (net)	946,207	-548.4	42,077.3	94,884.8	136,413.7
Loans	775,650	0.0	35,827.7	58,442.4	94,270.1
Program loans	268,208	0.0	0.0	0.0	0.0
Development Project loans	507,442	0.0	35,827.7	58,442.4	94,270.1
Basket Support	212,656	78.1	6,795.8	39,782.3	46,656.2
Amortization	-42,099	-626.5	-546.2	-3,339.9	-4,512.7
<b>Domestic (net)</b>	<b>23,072</b>	<b>53,717.6</b>	<b>114,214.1</b>	<b>-63,418.5</b>	<b>104,513.2</b>
Domestic Financing	-36,927.9	53,717.6	114,214.1	-63,418.5	104,513.2
Bank borrowing	0				
Non-Bank (net of amortization)	-16,928				
Amortization of contingent debt	-20,000				
Privatization Proceeds	60,000				

**Note:**

/1 Exclude amortization and Expenditure Float, includes Road fund and Retention expenditures

/2 Domestic Interest payments and amortization include Cash and Non cash

Source: Ministry of Finance



**Table A3 : Monetary survey (Revised)**

End of Period	Millions of TZS														
	Memorandum item:														
	M3, Extended Broad Money					M1, Broad Money					M0, Base Money				
	Domestic assets (net)		M3			M2			M1			Narrow Money			of which:
Foreign assets	Claims on government	Claims on private sectors*	Other items	sum (2-5) or sum (9-13)	TOTAL	sum (9-12)	sum (9,10)	Currency in circulation outside banks	Demand deposits	Time deposits	Savings deposits	Foreign currency deposits	TOTAL	sum (9,15)	Reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15
1998	458,003.6	276,586.7	248,276.2	44,118.1	1,026,984.7	844,929.4	545,517.0	307,798.7	237,718.3	134,401.0	165,011.4	182,055.2	418,734.0	110,935.3	123,826.0
1999	622,286.8	366,596.2	311,533.0	-82,789.1	1,217,626.9	972,088.6	632,571.2	384,848.0	247,723.2	149,257.1	190,260.3	245,538.3	508,674.0	164,026.7	172,730.2
2000	842,755.0	375,146.0	340,628.1	-160,840.2	1,397,688.8	1,093,610.9	695,006.5	392,404.2	302,602.3	170,051.6	228,552.8	304,077.9	556,430.9	200,255.6	230,263.2
2001	1,209,820.4	239,201.4	404,512.3	-216,803.4	1,636,730.7	1,233,667.0	766,019.9	411,638.9	354,381.0	208,101.4	259,545.7	403,063.7	584,369.1	202,600.0	303,628.0
2002	1,558,627.1	264,608.6	570,668.3	-346,221.0	2,047,683.1	1,507,386.5	958,786.6	495,445.6	463,340.9	223,898.7	324,701.2	540,296.5	695,701.2	392,923.2	467,944.0
2003	2,182,072.0	12,937.0	817,125.2	-623,818.1	2,388,316.1	1,721,109.9	1,113,379.1	553,045.8	560,333.3	230,958.8	376,771.9	667,206.2	783,309.0	1,879,108.2	610,425.3
2004	2,379,909.3	-47,719.7	1,060,077.3	-544,146.8	2,848,120.0	2,050,886.0	1,315,739.4	664,148.0	651,591.3	276,396.4	458,750.2	797,234.1	967,776.0	594,601.3	521,392.6
2005	2,560,852.1	413,782.4	1,425,062.3	-464,710.2	3,934,986.6	2,808,247.6	1,758,810.2	843,157.4	915,652.8	422,269.4	627,168.0	1,126,738.9	1,236,080.6	670,895.4	716,664.7
2006	3,399,819.5	77,952.2	2,028,294.3	-707,243.9	4,798,822.1	3,193,785.0	1,930,421.5	975,585.9	954,835.7	469,679.2	793,684.3	1,605,037.1	1,443,529.9	895,535.0	855,933.4
2007	3,528,866.1	-254,063.1	2,883,789.5	-330,874.3	4,827,718.2	4,112,108.3	2,562,143.8	1,164,184.8	1,397,959.0	569,970.0	979,994.5	1,715,610.0	1,879,108.2	913,695.5	913,695.5
2007-Jan	3,544,203.6	127,157.6	2,111,524.0	-815,560.4	4,967,324.7	3,334,723.9	1,969,491.7	966,168.2	1,003,323.5	494,911.9	870,320.3	1,632,600.8	1,576,593.5	610,425.3	585,323.0
February	3,453,936.8	242,091.4	2,147,929.9	-786,393.9	5,057,564.2	3,407,560.6	2,018,147.5	964,522.2	1,053,623.3	499,501.1	889,911.9	1,650,003.6	1,549,845.2	506,251.8	665,183.7
March	3,327,380.2	205,504.6	2,204,838.1	-702,143.7	5,035,579.3	3,398,294.3	1,994,579.5	970,657.1	1,023,922.4	500,299.4	903,415.4	1,637,285.0	1,476,908.9	638,460.3	551,270.1
April	3,448,344.3	223,754.4	2,265,448.5	-823,343.7	5,114,203.7	3,445,521.7	2,030,243.4	967,774.1	1,062,469.3	509,753.9	905,524.4	1,668,681.9	1,632,957.8	638,460.3	551,270.1
May	3,290,427.3	397,603.7	2,319,136.5	-800,708.4	5,206,459.1	3,595,487.1	2,130,638.1	976,792.2	1,153,845.9	535,983.7	928,865.3	1,610,971.9	1,615,252.5	594,601.3	582,381.2
June	3,383,818.2	449,792.9	2,335,999.6	-849,368.9	5,320,241.8	3,650,728.3	2,170,663.5	1,047,221.2	1,123,442.3	539,334.2	940,730.6	1,669,513.5	1,598,491.3	594,601.3	521,392.6
July	3,782,297.4	163,134.6	2,463,712.6	-844,055.5	5,565,089.1	3,883,483.3	2,329,426.9	1,129,127.7	1,200,299.1	585,596.0	968,460.4	1,681,605.7	1,711,508.9	670,895.4	675,206.4
August	3,633,415.0	46,715.0	2,550,421.6	-557,113.7	5,673,437.9	3,988,114.3	2,442,428.5	1,161,235.6	1,281,192.9	557,079.2	988,606.6	1,685,323.6	1,755,836.9	900,712.9	753,774.6
September	3,769,984.4	-219,357.6	2,657,393.2	-553,855.0	5,654,165.0	3,987,689.4	2,415,334.9	1,163,620.8	1,251,714.1	578,812.8	993,541.7	1,666,475.6	1,685,013.4	670,895.4	675,206.4
October	3,615,157.5	-190,647.8	2,760,234.8	-444,469.6	5,740,274.9	4,079,522.0	2,493,468.4	1,151,865.9	1,341,602.5	548,770.6	1,037,283.0	1,660,752.9	1,822,761.3	716,664.7	716,664.7
November	3,613,558.4	-124,929.8	2,878,553.5	-481,263.7	5,885,918.4	4,170,212.6	2,505,089.5	1,146,729.0	1,358,360.5	607,107.3	1,058,015.8	1,715,705.8	1,821,935.3	1,879,108.2	1,879,108.2
December	3,549,852.6	-162,006.5	2,976,276.0	-370,814.1	5,993,307.9	4,259,853.0	2,577,343.7	1,162,443.5	1,414,900.2	618,347.5	1,064,161.8	1,733,454.9	1,879,108.2	900,712.9	895,535.0
2008-Jan	3,627,885.1	-57,703.7	3,042,760.1	-536,154.6	6,076,786.9	4,348,356.1	2,604,836.6	1,140,234.9	1,464,601.7	661,222.9	1,082,296.6	1,728,430.8	2,040,947.8	716,664.7	716,664.7
February	3,599,423.9	46,937.1	3,101,493.1	-581,472.7	6,166,381.5	4,434,409.7	2,663,140.9	1,137,652.2	1,525,488.7	670,833.0	1,100,435.8	1,731,971.8	1,891,426.8	803,070.1	830,650.9
March	3,909,924.5	212,128.0	3,211,376.7	-920,521.9	6,412,907.3	4,543,749.0	2,729,798.7	1,140,794.1	1,589,004.7	716,645.4	1,097,304.9	1,869,158.3	1,943,864.1	784,983.8	810,937.9
April	3,684,947.6	202,448.2	3,251,699.5	-724,084.7	6,415,010.6	4,601,074.4	2,732,381.1	1,153,962.2	1,578,418.9	755,229.0	1,113,464.2	1,813,936.3	1,984,613.1	895,535.0	895,535.0
May	3,559,027.9	207,513.6	3,300,891.8	-705,275.0	6,362,158.4	4,591,076.7	2,681,864.1	1,183,030.8	1,498,833.3	797,660.8	1,111,551.9	1,771,081.6	1,968,014.6	895,535.0	895,535.0
June	3,509,529.8	154,820.5	3,387,042.3	-523,612.1	6,527,780.6	4,774,747.9	2,833,953.3	1,269,577.6	1,564,397.7	830,626.5	1,110,146.2	1,753,032.7	2,079,615.5	913,695.5	913,695.5
July	3,514,958.8	333,460.9	3,496,971.8	-667,073.9	6,678,317.6	4,868,340.6	2,923,475.0	1,313,027.8	1,610,422.7	802,291.4	1,142,598.7	1,809,977.1	2,208,562.8	855,933.4	855,933.4
August	3,258,914.4	441,990.4	3,707,220.8	-539,394.0	6,868,731.5	5,120,835.0	3,109,034.2	1,367,204.8	1,741,829.5	839,787.5	1,172,013.3	1,747,896.5	2,223,158.1	2,223,158.1	2,223,158.1
September	3,392,183.4	367,222.1	3,945,274.6	-719,113.4	6,985,566.7	5,200,493.0	3,086,299.0	1,450,097.1	1,636,201.9	899,336.6	1,214,857.3	1,785,073.7	2,363,792.6	913,695.5	913,695.5

Note: \* Formerly known as "Claims on other domestic sectors". \*\* Formerly known as "Monetary survey".  
The Depository Corporations survey includes all banks that take deposits from the public. It covers the period from December 2005  
CB - Commercial Banks  
Source: Bank of Tanzania



Table A4 : Interest Rate structure

	Percent								
	2008 <sup>p</sup>								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>A: Domestic Currency</b>									
<b>Interbank Cash Market Rates</b>									
Overnight	6.47	4.52	4.11	3.85	3.59	3.45	3.49	3.64	4.19
2 to 7 days	7.11	5.20	4.34	4.08	4.04	3.68	3.67	3.75	4.23
8 to 14 days	6.82	5.00	4.43	4.20	3.80	3.99	3.87	3.88	4.61
15 to 30 days	7.50	6.50	6.50	5.18	4.82	4.85	4.00	4.00	4.00
31 to 60 days	5.60	5.60	6.32	5.40	4.73	4.73	5.50	5.50	6.09
61 to 90 days	10.75	5.93	5.93	5.93	5.93	5.93	5.93	5.93	5.93
91 to 180 days	9.50	6.50	6.25	6.25	6.25	5.50	5.50	8.21	10.48
181 and above	12.10	12.10	7.00	7.00	7.88	7.88	8.50	8.50	8.50
<b>Overall Interbank cash market rate</b>	<b>6.74</b>	<b>4.81</b>	<b>4.24</b>	<b>4.12</b>	<b>3.83</b>	<b>3.61</b>	<b>3.61</b>	<b>3.70</b>	<b>4.32</b>
<b>Lombard Rate</b>	<b>9.90</b>	<b>8.99</b>	<b>8.03</b>	<b>7.16</b>	<b>7.00</b>	<b>7.55</b>	<b>8.54</b>	<b>7.99</b>	<b>8.67</b>
<b>REPO Rate</b>	<b>6.60</b>	<b>4.79</b>	<b>3.82</b>	<b>3.67</b>	<b>3.66</b>	<b>3.75</b>	<b>3.79</b>	<b>3.76</b>	<b>4.02</b>
<b>Treasury Bills Rates</b>									
35 days	5.96	5.99	5.36	4.77	4.67	5.03	5.70	5.33	5.78
91 days	9.54	7.05	5.69	5.12	4.95	5.76	7.93	8.62	10.36
182 days	10.33	8.02	7.03	6.90	6.75	7.63	8.51	10.11	10.53
364 days	12.80	9.82	9.40	9.43	9.03	10.00	11.15	11.48	11.56
<b>Overall Treasury bills rate</b>	<b>10.89</b>	<b>8.37</b>	<b>7.39</b>	<b>7.05</b>	<b>7.00</b>	<b>7.84</b>	<b>9.46</b>	<b>9.47</b>	<b>10.17</b>
<b>Treasury Bonds Rates</b>									
2-years	14.97	14.97	14.97	12.23	12.23	12.87	12.87	12.87	13.20
5-years	16.81	16.81	14.49	14.49	14.49	14.49	14.49	14.49	14.49
7-years	18.15	17.18	17.18	17.18	17.18	17.18	17.04	17.04	17.04
10-years	17.68	17.68	17.68	17.68	17.09	17.09	17.09	19.47	19.47
<b>Discount Rate</b>	<b>15.89</b>	<b>13.36</b>	<b>12.39</b>	<b>12.08</b>	<b>12.00</b>	<b>12.84</b>	<b>14.46</b>	<b>14.47</b>	<b>15.17</b>
<b>Savings Deposit Rate</b>	<b>2.66</b>	<b>2.64</b>	<b>2.64</b>	<b>2.75</b>	<b>2.74</b>	<b>2.79</b>	<b>2.64</b>	<b>2.61</b>	<b>2.64</b>
<b>Overall Time Deposits Rate</b>	<b>8.17</b>	<b>8.21</b>	<b>8.02</b>	<b>7.56</b>	<b>6.71</b>	<b>6.66</b>	<b>6.58</b>	<b>5.86</b>	<b>6.43</b>
Call Accounts	0.88	0.95	0.97	1.36	0.82	0.80	0.76	0.75	0.76
1 month	7.22	8.53	7.70	7.91	6.31	6.05	5.96	5.79	6.10
2 months	9.42	8.70	8.56	6.75	7.14	6.90	8.69	6.79	8.14
3 months	9.63	9.77	8.77	8.66	7.56	7.92	7.11	7.36	7.30
6 months	10.00	9.46	10.13	10.14	9.54	8.97	8.91	7.03	7.61
9 months									
12 months	10.10	9.97	9.33	9.18	8.76	8.29	8.17	7.48	8.05
24 months	9.95	10.10	10.65	8.93	6.87	7.71	6.49	5.82	7.07
<b>Negotiated Deposit Rate</b>	<b>10.72</b>	<b>10.52</b>	<b>10.29</b>	<b>11.20</b>	<b>11.07</b>	<b>10.62</b>	<b>9.26</b>	<b>9.63</b>	<b>10.27</b>
<b>Overall Lending rate</b>	<b>15.24</b>	<b>15.13</b>	<b>15.15</b>	<b>14.74</b>	<b>14.78</b>	<b>14.76</b>	<b>15.05</b>	<b>14.83</b>	<b>14.91</b>
Call Loans	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25
Short-term (up to 1year)	13.96	14.48	13.90	13.08	13.58	13.93	13.35	13.86	14.04
Medium-term (1-2 years)	16.72	15.79	16.10	15.95	15.56	15.56	15.72	15.82	15.74
Medium-term (2-3 years)	15.32	15.39	15.37	15.08	14.95	14.58	15.28	15.65	15.66
Long-term (3-5 years)	16.49	16.54	16.86	16.37	16.13	16.64	16.92	15.80	15.94
Term Loans (over 5 years)	13.69	13.47	13.52	13.25	13.66	13.07	14.00	13.01	13.18
<b>Negotiated Lending Rate</b>	<b>11.50</b>	<b>11.76</b>	<b>11.82</b>	<b>12.77</b>	<b>12.57</b>	<b>13.07</b>	<b>11.01</b>	<b>12.18</b>	<b>12.68</b>
<b>B: Foreign Currency</b>									
<b>Deposits Rates</b>									
<b>Savings Deposits Rate</b>	<b>1.86</b>	<b>1.61</b>	<b>1.43</b>	<b>1.74</b>	<b>1.72</b>	<b>1.71</b>	<b>0.87</b>	<b>1.92</b>	<b>1.65</b>
<b>Overall Time Deposits Rate</b>	<b>4.58</b>	<b>4.63</b>	<b>4.62</b>	<b>4.28</b>	<b>4.69</b>	<b>4.42</b>	<b>4.43</b>	<b>2.92</b>	<b>2.93</b>
1-months	3.60	4.58	4.79	2.96	4.84	5.04	2.61	2.79	2.88
2-months	4.75	4.94	3.03	5.12	5.31	4.46	6.03	2.92	2.60
3-months	4.85	3.17	4.88	4.89	3.80	3.95	5.05	2.91	3.07
6-months	4.78	4.73	3.45	3.99	4.97	5.17	4.05	2.86	2.89
12-months	4.92	5.72	6.95	4.43	4.52	3.48	4.43	3.12	3.19
<b>Overall Lending Rate</b>	<b>7.76</b>	<b>7.87</b>	<b>7.86</b>	<b>7.95</b>	<b>8.05</b>	<b>8.19</b>	<b>6.94</b>	<b>7.14</b>	<b>9.49</b>
Short-term (up to 1year)	3.82	4.55	4.79	6.43	6.75	6.74	5.60	5.43	5.33
Medium-term (1-2 years)	8.69	8.72	8.67	8.88	8.75	8.70	6.92	7.20	10.33
Medium-term (2-3 years)	8.95	8.74	8.67	8.55	8.55	8.56	6.74	6.81	10.69
Long-term (3-5 years)	8.46	8.48	8.49	8.38	8.19	8.29	7.33	7.35	10.00
Term Loans (over 5 years)	8.86	8.86	8.69	7.53	7.99	8.68	8.12	8.91	11.08

Note: The Lombard rate is based on the prevailing weighted average yield of 35-day T-bill, Repo or overnight inter-bank rate whichever is higher in the market plus 50% of the highest rate.

Source: Bank of Tanzania





Table A5(a) : Exports by Type of Commodity

Item	2007 <sup>p</sup>	2008		% Change		Year Ending September <sup>p</sup>		
	Sep	Aug	Sep	Sep 07-Sep 08	Aug 08 - Sep 08	2007	2008	% Change
<b>Traditional Exports:</b>								
<b>COFFEE</b>								
Value	4.7	2.3	5.3	12.8	130.9	96.1	85.0	-11.6
Volume	2.3	1.4	2.6	13.8	87.1	47.6	36.8	-22.7
Unit Price	2,033.8	1,633.8	2,016.0	-0.9	23.4	2,019.1	2,310.4	14.4
<b>COTTON</b>								
Value	8.0	8.7	27.4	243.6	213.3	37.0	114.7	--
Volume	7.2	8.6	19.8	173.8	130.5	35.5	93.0	--
Unit Price	1,103.7	1,019.1	1,385.3	25.5	35.9	1,043.3	1,232.9	18.2
<b>SISAL</b>								
Value	0.5	0.0	0.0	-100.0	0.0	10.2	3.4	-66.6
Volume	0.5	0.0	0.0	-100.0	0.0	11.8	3.2	-72.6
Unit Price	1,023.2	0.0	0.0	-100.0	0.0	864.9	1,054.9	22.0
<b>TEA</b>								
Value	1.3	1.1	2.3	72.9	105.2	30.3	31.3	3.5
Volume	1.0	0.5	1.1	10.8	99.9	21.4	20.0	-6.9
Unit Price	1,327.4	2,019.3	2,072.2	56.1	2.6	1,413.5	1,570.3	11.1
<b>TOBACCO</b>								
Value	14.3	14.3	0.0	-100.0	-100.0	79.8	56.5	-29.1
Volume	5.7	3.9	0.0	-100.0	-100.0	33.9	24.1	-29.0
Unit Price	2,491.0	3,661.4	0.0	-100.0	-100.0	2,352.2	2,347.4	-0.2
<b>CASHEWNUTS</b>								
Value	0.5	0.00	0.0	-100.0	0.0	28.7	55.8	94.6
Volume	0.8	0.00	0.0	-100.0	0.0	57.8	76.6	32.5
Unit Price	603.4	0.0	0.0	-100.0	0.0	496.3	728.5	46.8
<b>CLOVES</b>								
Value	0.0	0.78	1.2	--	50.2	9.8	6.2	-36.1
Volume	0.0	0.19	0.3	--	56.0	3.0	1.7	-44.1
Unit Price	3,654.5	4,165.8	4,011.7	9.8	-3.7	3,204.3	3,664.7	14.4
<b>Sub Total</b>	<b>29.3</b>	<b>13.5</b>	<b>36.1</b>	<b>23.3</b>	<b>167.4</b>	<b>291.8</b>	<b>353.0</b>	<b>21.0</b>
<b>Non-Traditional Exports:</b>								
<b>Minerals</b>	<b>79.0</b>	<b>91.1</b>	<b>75.2</b>	<b>-4.8</b>	<b>-17.4</b>	<b>890.4</b>	<b>1,020.2</b>	<b>14.6</b>
Gold	74.0	72.3	70.5	-4.6	-2.5	833.9	944.7	13.3
Diamond	2.0	1.8	1.2	-41.2	-33.7	27.0	20.5	-23.8
Other minerals <sup>1</sup>	3.0	17.0	3.5	15.7	-79.5	29.5	54.9	86.0
<b>Manufactured Goods</b>	<b>23.0</b>	<b>61.8</b>	<b>53.0</b>	<b>130.3</b>	<b>-14.2</b>	<b>271.3</b>	<b>550.0</b>	<b>102.7</b>
Cotton Yarn	0.6	5.9	2.8	--	-52.6	7.3	15.8	117.0
Manufactured Coffee	0.0	0.1	0.0	-100.0	-100.0	1.5	1.1	-31.6
Manufactured Tobacco	0.0	0.3	0.3	--	-7.4	1.2	1.6	42.1
Sisal Products (Yarn & Twine)	0.4	0.0	1.0	--	--	4.9	11.6	--
Other manufactured Goods <sup>2</sup>	22.0	55.5	48.9	--	-11.8	256.4	519.8	102.8
<b>Fish and Fish Products</b>	<b>13.1</b>	<b>12.5</b>	<b>14.1</b>	<b>7.5</b>	<b>12.2</b>	<b>157.0</b>	<b>148.6</b>	<b>-5.3</b>
<b>Horticultural products</b>	<b>1.5</b>	<b>2.5</b>	<b>3.1</b>	<b>--</b>	<b>20.7</b>	<b>18.3</b>	<b>27.2</b>	<b>48.5</b>
<b>Re-exports</b>	<b>7.9</b>	<b>8.5</b>	<b>3.5</b>	<b>-55.4</b>	<b>-58.8</b>	<b>142.0</b>	<b>129.1</b>	<b>-9.1</b>
<b>Others Exports<sup>3</sup></b>	<b>24.0</b>	<b>28.7</b>	<b>33.2</b>	<b>38.4</b>	<b>15.6</b>	<b>177.5</b>	<b>259.7</b>	<b>46.3</b>
<b>Sub Total</b>	<b>148.4</b>	<b>187.0</b>	<b>182.1</b>	<b>22.7</b>	<b>-2.7</b>	<b>1,656.5</b>	<b>2,134.8</b>	<b>28.9</b>
<b>GRAND TOTAL</b>	<b>177.7</b>	<b>200.5</b>	<b>218.1</b>	<b>22.8</b>	<b>8.8</b>	<b>1,948.4</b>	<b>2,487.8</b>	<b>27.7</b>

Note:

1 Include tanzanite, rubbies, sapphires, emeralds, copper, silver and other precious stones

2 Include plastic items, textile apparels iron/steel and articles thereof

3 Include edible vegetables, oil seeds, cereals, cocoa, raw hides and skins, woods and articles thereof

p = Provisional data.

- = Small value

-- = Very big value

--- = Information not available

Totals may not add up due to rounding of numbers.

Volume in '000 Tons; Value in '000,000 USD; Unit Price in USD/Ton

Source: Bank of Tanzania, TRA





Table A5(b) : Imports (f.o.b value) by Major Category

Import Category	Millions of USD							
	2007 <sup>P</sup>		2008		% Change		Year Ending September <sup>P</sup>	
	Sep	Aug	Sep	Aug	Sep 07-Sep 08	Aug 08 - Sep 08	2007	2008
<b>Capital Goods</b>	<b>135.6</b>	<b>266.5</b>	<b>247.8</b>	<b>82.7</b>	<b>-7.0</b>	<b>1,672.8</b>	<b>2,487.4</b>	<b>48.7</b>
Transport Equipments	36.6	72.0	61.5	68.0	-14.6	428.0	744.2	73.9
Building and Constructions	35.1	51.8	57.7	64.5	11.5	394.3	560.7	42.2
Machinery	63.9	142.8	128.6	101.1	-9.9	850.6	1,182.5	39.0
<b>Intermediate Goods</b>	<b>196.2</b>	<b>209.0</b>	<b>230.2</b>	<b>17.3</b>	<b>10.1</b>	<b>1,910.9</b>	<b>2,427.7</b>	<b>27.0</b>
Oil imports	147.5	169.9	179.0	21.4	5.4	1,433.4	1,774.1	23.8
Fertilizers	9.8	1.0	4.8	-50.7	--	58.4	117.5	101.2
Industrial raw materials	38.9	38.1	46.4	19.0	21.8	419.1	536.2	27.9
<b>Consumer Goods</b>	<b>84.4</b>	<b>111.5</b>	<b>136.1</b>	<b>61.3</b>	<b>22.0</b>	<b>978.0</b>	<b>1,240.1</b>	<b>26.8</b>
Food and food stuffs	20.1	19.5	47.6	136.4	143.5	233.3	327.1	40.2
All other consumer goods <sup>1</sup>	64.3	92.0	88.5	37.7	-3.8	744.8	912.9	22.6
<b>Grand Total (f.o.b)</b>	<b>416.2</b>	<b>587.1</b>	<b>614.1</b>	<b>47.5</b>	<b>4.6</b>	<b>4,561.8</b>	<b>6,155.2</b>	<b>34.9</b>
<b>Grand Total (c.i.f)</b>	<b>457.4</b>	<b>645.1</b>	<b>674.8</b>	<b>47.5</b>	<b>4.6</b>	<b>5,013.0</b>	<b>6,763.9</b>	<b>34.9</b>

Note:

<sup>1</sup> It includes pharmaceutical products, paper products, plastic items, optical/photographic materials, textile apparels<sup>P</sup> = Provisional data

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.

Table A5(c) : Tanzania's Balance of Payments

	Millions of USD							
Item	2000	2001	2002 <sup>r</sup>	2003 <sup>r</sup>	2004 <sup>r</sup>	2005 <sup>r</sup>	2006 <sup>p</sup>	2007 <sup>p</sup>
<b>A. Current Account</b>	<b>-485.9</b>	<b>-237.4</b>	<b>-37.1</b>	<b>-118.1</b>	<b>-366.7</b>	<b>-864.3</b>	<b>-1,171.6</b>	<b>-1,855.8</b>
Goods: Exports (f.o.b)	733.7	851.3	979.6	1,220.9	1,481.6	1,679.1	1,917.6	2,226.6
Traditional	292.8	231.1	206.1	220.5	297.8	354.5	267.1	319.7
Non-traditional	440.9	620.2	773.5	1,000.4	1,183.9	1,324.6	1,476.2	1,704.5
o/w Gold	112.7	254.1	341.1	502.8	629.9	655.1	786.4	788.2
Goods: Imports (f.o.b)	-1,367.6	-1,560.3	-1,511.3	-1,933.5	-2,482.8	-2,997.6	-3,864.1	-4,860.6
<i>Balance on Goods</i>	<i>-633.9</i>	<i>-709.0</i>	<i>-531.8</i>	<i>-712.6</i>	<i>-1,001.2</i>	<i>-1,318.5</i>	<i>-1,946.5</i>	<i>-2,634.1</i>
Services: <b>Credit</b>	627.3	914.6	920.1	947.8	1,133.6	1,269.2	1,528.1	1,714.0
Transportation	56.8	105.9	117.1	138.9	183.0	222.9	343.7	331.1
Travel	376.7	615.1	635.0	646.5	746.0	823.6	950.2	1,037.1
Other	193.8	193.6	168.0	162.3	204.6	222.7	234.1	345.8
Services: <b>Debit</b>	-682.4	-649.7	-632.5	-725.7	-974.7	-1,207.3	-1,249.4	-1,473.6
Transportation	-205.7	-194.2	-176.9	-214.7	-267.1	-319.5	-418.3	-485.0
Travel	-337.3	-327.3	-337.5	-353.2	-445.3	-553.8	-534.5	-645.3
Other	-139.4	-128.1	-118.1	-157.8	-262.3	-334.0	-296.6	-343.2
<i>Balance on Services</i>	<i>-55.1</i>	<i>264.9</i>	<i>287.6</i>	<i>222.1</i>	<i>158.9</i>	<i>61.8</i>	<i>278.7</i>	<i>240.4</i>
<b>Balance on Goods and Services</b>	<b>-689.0</b>	<b>-444.1</b>	<b>-244.2</b>	<b>-490.5</b>	<b>-842.3</b>	<b>-1,256.6</b>	<b>-1,667.8</b>	<b>-2,393.6</b>
Income: <b>Credit</b>	50.4	55.3	67.9	87.1	81.8	80.9	53.7	80.8
Income: <b>Debit</b>	-240.9	-243.8	-156.8	-225.6	-195.3	-185.0	-146.8	-159.8
<i>Balance on Income</i>	<i>-190.6</i>	<i>-188.5</i>	<i>-88.8</i>	<i>-138.5</i>	<i>-113.5</i>	<i>-104.1</i>	<i>-93.1</i>	<i>-79.0</i>
<i>Balance on Goods, Services and Income</i>	<i>-879.5</i>	<i>-632.6</i>	<i>-333.0</i>	<i>-629.1</i>	<i>-955.8</i>	<i>-1,360.7</i>	<i>-1,760.9</i>	<i>-2,472.7</i>
Current transfers (net)	393.6	395.3	295.9	511.0	589.1	496.3	589.3	616.9
Current transfers: <b>Credit</b>	472.1	474.8	357.2	574.2	654.1	563.9	655.2	689.4
Government	427.8	418.4	307.0	507.6	582.0	478.5	560.3	595.2
o/w Multilateral HIPC relief	40.6	71.3	68.8	68.2	73.7	75.7	42.1	0.0
Other sectors	44.3	56.4	50.2	66.6	72.1	85.4	94.9	94.2
Current transfers: <b>Debit</b>	-78.5	-79.5	-61.3	-63.3	-65.0	-67.5	-65.9	-72.5
<b>B. Capital Account</b>	<b>330.4</b>	<b>361.5</b>	<b>785.7</b>	<b>692.8</b>	<b>459.9</b>	<b>393.2</b>	<b>5,217.7</b>	<b>957.8</b>
Capital transfers: <b>Credit</b>	330.4	361.5	785.7	692.8	459.9	393.2	5,217.7	957.8
General Government	314.7	339.2	755.6	655.5	420.0	350.1	5,169.1	904.6
Other sectors	314.7	339.2	30.1	37.3	39.9	43.1	48.6	53.2
Capital transfers: <b>Debit</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Total, Groups A plus B</i>	<i>-155.5</i>	<i>124.1</i>	<i>748.5</i>	<i>574.6</i>	<i>93.2</i>	<i>-471.2</i>	<i>4,046.1</i>	<i>-897.9</i>
<b>C. Financial Account, excl. reserves and related items</b>	<b>187.8</b>	<b>-353.7</b>	<b>248.1</b>	<b>160.6</b>	<b>278.8</b>	<b>665.3</b>	<b>-3,952.2</b>	<b>1,030.9</b>
Direct investment abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	282.0	467.2	387.6	308.2	330.6	494.1	597.0	647.0
Portfolio investment	0.0	0.0	2.2	2.7	2.4	2.5	2.6	2.8
Other investment	-94.2	-829.1	-141.7	-150.3	-54.2	168.7	-4,551.8	381.2
Assets	-134.0	-76.7	2.9	-59.0	-11.0	-61.5	-175.0	114.8
Liabilities	39.9	-752.5	-144.6	-91.3	-43.2	230.2	-4,376.8	266.4
<i>Total, Groups A through C</i>	<i>118.7</i>	<i>580.0</i>	<i>996.6</i>	<i>735.2</i>	<i>372.0</i>	<i>194.1</i>	<i>93.9</i>	<i>133.0</i>
<b>D. Net Errors and Omissions</b>	<b>-118.7</b>	<b>-580.0</b>	<b>-678.7</b>	<b>-346.2</b>	<b>-166.0</b>	<b>-416.5</b>	<b>366.8</b>	<b>399.7</b>
<b>Overall balance</b>	<b>-86.3</b>	<b>-809.6</b>	<b>317.9</b>	<b>389.1</b>	<b>206.0</b>	<b>-222.4</b>	<b>460.7</b>	<b>532.7</b>
<b>E. Reserves and Related Items</b>	<b>86.3</b>	<b>809.6</b>	<b>-317.9</b>	<b>-389.1</b>	<b>-206.0</b>	<b>222.4</b>	<b>-460.7</b>	<b>-532.7</b>
Reserve assets	-198.8	-182.2	-372.4	-508.8	-258.4	247.7	-126.5	-419.4
Use of Fund credit and loans	49.4	15.6	26.0	-2.9	-33.8	-50.5	-334.2	-113.3
Exceptional financing	235.7	976.2	28.5	122.6	86.2	25.1	0.0	0.0
Rescheduled debt	10.1	131.4	9.8	86.9	0.0	0.0	0.0	0.0
Debt forgiveness	49.4	642.1	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	81.2	67.4	18.4	29.5	21.9	25.1	0.0	0.0
Principal arrears	95.0	135.2	0.4	6.2	64.3	0.0	0.0	0.0
<b>Memorandum Items</b>								
GDP(mp) Mill. TZS	7,277,799.9	8,304,338.6	10,444,508.0	12,107,062.0	13,971,593.0	15,965,295.0	17,749,574.0	20,819,190.7
GDP(mp) Mill. USD	9,092.7	9,475.6	10,799.9	11,653.4	12,828.0	14,139.1	14,155.5	16,734.7
CAB/GDP	-5.3	-2.5	-0.3	-1.0	-2.9	-6.1	-8.3	-11.1
CAB/GDP (excl. current official transfers)	-10.0	-6.9	-3.2	-5.4	-7.4	-9.5	-12.2	-14.6
Gross Official Reserves	974.4	1,156.6	1,529.0	2,037.8	2,296.1	2,048.4	2,260.1	2,755.2
Months of Imports	5.7	6.3	6.9	7.1	6.6	4.8	4.3	4.6
Net International Reserves (year end)	542.7	761.2	1,068.2	1,413.5	1,644.6	1,395.9	1,754.8	2,794.5
Change in Net International Reserves	-137.6	-218.5	-299.6	-366.8	-231.1	248.8	-358.9	-965.9
Exchange rate (end of period)	803.3	916.3	976.7	1,063.6	1,043.0	1,165.5	1,261.6	1,132.1
Exchange rate (Annual Average)	800.4	876.4	967.1	1,038.9	1,089.1	1,129.2	1,253.9	1,244.1

Source: Bank of Tanzania

Notes:

1. Revision is based on new data from the Private Capital Flows survey and adoption of new data sources for some other items in the services account
2. Change in gross official reserves will not necessarily be equal to reserve assets given a new methodology of computing reserve assets which nets out the impact of valuation was introduced beginning 2006

r = Revised  
p = Provisional





Table A6(a) : National Consumer Price Index (A00 - Urban), Percentage Change on the Previous Year

Period Weight (%)	Headline (General Index)	Food	Non-Food										Education	Miscel. goods & services		
			Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation				
2003	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2004	4.2	4.5	2.0	1.5	2.0	5.9	2.5	2.1	1.1	2.9	2.1	2.9	2.1	1.2	2.2	2.2
2005	4.4	5.9	1.6	-0.5	2.3	2.3	4.6	0.2	0.9	0.5	0.9	0.5	0.5	1.0	0.6	-0.5
2006	7.3	7.0	7.6	7.7	-0.5	-0.4	7.7	-1.1	0.5	3.5	0.5	3.5	-1.5	4.7	-0.1	-1.4
2007	7.0	7.0	7.0	10.5	7.0	5.5	8.5	7.8	2.0	11.2	2.0	11.2	5.0	9.1	2.5	8.0
2007 Mar	7.2	6.3	8.4	11.7	5.9	3.6	6.2	7.9	8.7	2.9	8.7	2.9	8.9	7.0	9.7	0.8
Jun	5.7	4.0	8.1	13.3	6.5	5.6	7.9	10.6	10.5	2.1	10.5	2.1	7.4	9.2	11.6	-0.2
Sep	8.4	10.3	5.8	8.1	7.2	3.9	6.3	9.2	11.0	4.2	11.0	4.2	9.6	7.4	10.7	2.1
Dec	6.9	7.5	5.9	9.1	5.5	2.2	4.3	6.2	8.9	3.4	8.9	3.4	10.4	5.8	8.9	0.4
2008 Mar	8.9	10.9	5.8	9.9	4.4	2.8	6.2	5.8	4.5	1.9	4.5	1.9	8.1	5.7	7.5	0.9
Jun	9.4	11.4	6.5	7.9	0.8	2.1	8.4	4.6	3.1	3.4	3.1	3.4	4.4	5.5	5.6	1.6
Sep	10.3	11.9	7.8	8.4	1.1	2.1	11.2	5.2	2.7	3.7	2.7	3.7	4.1	6.8	6.3	0.7
2007 Jan	7.0	6.7	7.4	11.9	6.1	3.0	13.2	6.8	2.2	5.9	2.2	5.9	5.5	8.5	7.8	2.2
Feb	7.3	6.2	8.8	11.2	6.3	4.9	4.8	10.3	9.6	2.0	9.6	2.0	5.6	8.8	10.0	-1.8
Mar	7.2	6.1	9.1	11.8	7.2	5.8	9.6	11.0	10.8	0.9	10.8	0.9	7.5	9.8	11.8	-0.4
Apr	6.1	4.8	8.2	14.7	6.7	4.3	5.0	10.4	11.1	3.4	11.1	3.4	9.2	9.1	13.0	1.6
May	5.0	2.8	8.4	13.0	7.4	4.2	7.5	8.4	11.8	3.6	11.8	3.6	9.4	8.3	11.8	1.9
Jun	5.9	4.6	7.6	12.3	7.3	3.2	6.4	8.7	11.1	4.7	11.1	4.7	9.4	8.0	10.1	2.0
Jul	9.0	10.3	7.4	10.8	5.5	1.7	7.3	7.6	10.7	4.2	10.7	4.2	10.1	5.8	10.3	2.5
Aug	7.8	9.2	6.0	7.3	6.4	2.1	4.2	6.9	9.5	3.5	9.5	3.5	10.6	6.8	8.6	2.0
Sep	8.3	11.4	4.1	6.2	4.5	2.8	1.4	4.1	6.5	2.2	6.5	2.2	9.7	6.5	8.8	0.0
Oct	7.1	8.4	5.1	7.0	5.4	2.8	3.8	4.6	5.8	1.6	5.8	1.6	10.5	5.6	9.2	-0.8
Nov	7.3	7.5	6.5	10.0	5.2	2.8	6.8	6.6	4.8	2.1	4.8	2.1	7.6	6.2	7.8	0.3
Dec	6.4	6.6	6.1	10.3	2.5	2.8	8.0	6.2	3.0	1.9	3.0	1.9	6.1	5.4	6.8	0.8
2008 -Jan	8.6	10.1	6.4	10.4	1.1	2.4	10.1	4.9	3.6	3.7	3.6	3.7	5.9	5.7	5.6	2.1
Feb	8.9	11.4	5.3	10.2	0.3	2.4	6.8	4.1	2.9	3.4	2.9	3.4	4.0	4.9	5.6	1.8
Mar	9.0	11.2	5.8	9.1	1.0	1.7	8.3	4.9	2.9	3.1	2.9	3.1	3.5	6.0	5.6	1.0
Apr	9.7	11.6	6.9	8.6	1.1	2.1	11.3	4.9	2.8	3.3	2.8	3.3	4.2	7.6	6.1	1.5
May	9.1	11.0	6.5	7.5	1.1	2.1	11.7	5.1	2.5	3.9	2.5	3.9	4.2	6.0	6.4	0.4
Jun	9.3	11.4	6.3	7.7	0.9	2.1	10.6	5.5	2.8	4.0	2.8	4.0	4.0	6.7	6.3	0.4
Jul	9.5	11.2	6.8	7.9	1.3	3.5	12.0	5.4	2.0	4.9	2.0	4.9	4.4	6.0	6.0	1.8
Aug	9.8	11.1	7.8	8.6	-0.1	3.1	12.7	6.9	1.1	5.9	1.1	5.9	5.2	9.9	7.9	1.5
Sep	11.6	13.4	8.9	8.8	2.2	2.4	15.0	8.2	3.4	6.9	3.4	6.9	6.9	9.7	8.3	3.4

Source: National Bureau of Statistics  
Note: Base (1) 2001=100 up to 2005 (2) Dec 2001=100 from January 2006.

**Table A6(b) : National Consumer Price Index Percentage Change on the Previous Month (Month - on - Month)**

Period	Headline (General Index)		Food	Non-Food											Miscel. goods & services	
	Weight (%)	100.0		Total	6.9	6.4	1.4	8.5	2.1	Furniture Equip.	Household operations	2.1	2.1	0.8		9.7
2005-Aug	1.1	1.1	1.1	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	2.1	0.8	9.7	2.6	1.5
Sep	-0.2	-1.3	-1.3	1.0	0.2	0.3	1.4	1.5	0.5	0.3	0.3	0.3	-0.3	2.4	0.2	-0.1
Oct	1.4	1.1	1.1	1.5	1.3	4.8	0.3	4.3	-3.2	-0.3	-0.3	-0.3	9.3	-1.3	-1.2	-0.9
Nov	0.7	0.7	0.7	0.6	2.5	1.2	0.3	-0.8	1.0	-0.7	-0.7	-0.7	2.4	4.5	6.5	-0.8
Dec	1.7	3.3	3.3	-0.7	0.3	-1.8	0.5	-3.4	-1.9	4.0	4.0	4.0	1.9	0.6	-0.1	4.7
2006 Jan	1.0	1.7	1.7	0.1	-1.5	4.5	-2.3	-0.4	1.6	-4.3	-4.3	-4.3	1.2	0.1	-2.9	6.2
Feb	0.8	1.2	1.2	0.4	1.2	0.7	-1.0	0.1	1.2	0.3	0.3	0.3	1.3	0.2	-1.6	-0.5
Mar	0.8	1.3	1.3	0.0	1.3	-1.0	0.9	0.1	-0.3	0.0	0.0	0.0	-1.9	0.2	-0.7	-1.0
Apr	0.9	1.1	1.1	0.7	-1.8	0.3	1.5	3.2	0.1	0.2	0.2	0.2	0.1	0.7	1.1	-0.5
May	1.7	1.9	1.9	1.4	2.7	0.1	0.1	0.8	2.6	1.5	1.5	1.5	-1.2	2.4	1.8	0.7
Jun	-0.7	-2.4	-2.4	1.9	0.7	0.6	1.0	4.2	0.1	1.2	1.2	1.2	0.5	2.5	0.4	-0.4
Jul	-2.9	-5.1	-5.1	0.4	1.5	1.1	1.6	-0.7	1.1	-0.1	-0.1	-0.1	-0.1	0.2	1.7	-0.3
Aug	0.2	-0.5	-0.5	1.2	2.7	-0.5	0.0	2.6	0.4	0.6	0.6	0.6	0.3	0.0	0.6	1.2
Sep	0.2	-0.4	-0.4	0.9	1.4	0.7	0.0	0.4	1.5	1.9	1.9	1.9	1.0	1.4	0.2	0.2
Oct	1.6	2.6	2.6	0.0	0.6	0.4	0.0	-1.2	0.6	1.1	1.1	1.1	1.7	-0.3	0.2	-0.6
Nov	0.8	2.3	2.3	-0.7	0.2	0.3	0.0	-2.8	-0.8	0.6	0.6	0.6	-0.1	1.8	0.0	-0.6
Dec	2.1	2.9	2.9	0.4	0.3	1.8	0.0	-1.7	1.4	1.8	1.8	1.8	0.4	1.1	1.8	0.6
2007 Jan	1.3	1.8	1.8	0.6	0.7	1.5	0.9	-0.1	1.9	0.1	0.1	0.1	-0.9	0.4	2.6	-0.6
Feb	1.1	0.7	0.7	1.7	0.5	0.9	0.0	4.7	1.8	1.4	1.4	1.4	0.3	1.1	0.0	0.9
Mar	0.7	1.2	1.2	0.2	1.9	-0.2	0.7	-0.2	-0.8	0.3	0.3	0.3	0.5	-0.5	0.4	0.9
Apr	-0.1	-0.1	-0.1	-0.1	0.7	-0.1	0.0	-0.9	0.2	0.9	0.9	0.9	0.3	-0.1	0.1	-0.1
May	0.6	-0.1	-0.1	1.6	1.2	0.8	0.0	3.3	0.6	0.8	0.8	0.8	0.0	2.1	0.3	0.8
Jun	0.1	-0.6	-0.6	1.0	0.1	0.5	0.0	3.2	0.4	0.3	0.3	0.3	0.0	0.5	0.6	0.0
Jul	0.1	0.1	0.1	0.2	0.1	-0.6	0.1	0.2	0.2	0.4	0.4	0.4	0.2	1.1	0.2	-0.7
Aug	-0.9	-1.6	-1.6	-0.2	-0.6	0.4	0.4	-0.4	-0.4	-0.4	-0.4	-0.4	0.3	-0.3	0.8	-0.8
Sep	0.6	1.7	1.7	-0.9	0.4	-1.1	0.7	-2.3	-1.1	-0.9	-0.9	-0.9	-0.3	-0.7	0.5	-0.6
Oct	0.4	-0.1	-0.1	1.0	1.4	1.2	0.0	1.1	1.1	0.4	0.4	0.4	1.1	0.9	0.4	0.5
Nov	1.1	1.5	1.5	0.6	2.9	0.1	0.0	0.0	1.0	-0.4	-0.4	-0.4	0.4	0.4	0.0	0.8
Dec	1.3	2.0	2.0	0.1	0.6	-0.8	0.0	-0.6	1.1	0.1	0.1	0.1	0.2	0.4	0.9	-0.3
2008- Jan	3.4	5.2	5.2	0.9	0.8	0.0	0.4	1.9	0.7	0.7	0.7	0.7	0.8	0.7	1.3	0.7
Feb	1.4	1.9	1.9	0.6	0.4	0.1	0.0	1.6	1.0	0.6	0.6	0.6	0.0	0.4	0.0	0.6
Mar	0.9	0.9	0.9	0.7	0.8	0.5	0.0	1.2	0.0	0.3	0.3	0.3	0.2	0.6	0.4	0.1
Apr	0.5	0.3	0.3	1.0	0.3	0.1	0.4	1.8	0.2	0.8	0.8	0.8	0.5	1.4	0.7	0.4
May	0.1	-0.6	-0.6	1.2	0.1	0.8	0.0	3.6	0.8	0.4	0.4	0.4	0.5	0.5	0.6	-0.3
Jun	0.2	-0.3	-0.3	1.0	0.3	0.3	0.0	2.1	0.8	0.6	0.6	0.6	0.1	1.1	0.5	0.0
Jul	0.3	-0.1	-0.1	0.7	0.3	-0.2	1.5	1.5	0.1	-0.3	-0.3	-0.3	1.0	0.4	1.1	0.7
Aug	-0.7	-1.6	-1.6	0.7	0.0	-1.0	0.0	0.2	1.1	-1.3	-1.3	-1.3	1.2	3.4	1.4	-1.1
Sep	2.2	3.7	3.7	0.1	0.6	1.1	0.0	-0.3	0.1	1.4	1.4	1.4	0.7	-0.9	0.9	1.3

Source: National Bureau of Statistics  
Note: Base (1) 2001=100 up to 2005 (2) Dec 2001=100 from January 2006





Table A7 : External Debt Developments

Item	2007/2008												Millions of USD		
	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08		Jul-08	Aug-08
<b>1. Overall Total Debt Committed<sup>2</sup></b>	<b>5,248.3</b>	<b>5,447.2</b>	<b>5,635.1</b>	<b>5,880.0</b>	<b>5,908.7</b>	<b>5,915.8</b>	<b>5,958.4</b>	<b>6,335.0</b>	<b>6,842.3</b>	<b>6,685.0</b>	<b>6,717.9</b>	<b>6,776.3</b>	<b>6,990.9</b>	<b>6,866.8</b>	<b>6,860.3</b>
Disbursed outstanding debt	3,471.5	3,556.2	3,685.2	4,010.2	4,038.4	4,057.4	4,086.4	4,118.8	4,347.7	4,399.3	4,401.7	4,483.1	4,388.4	4,322.8	4,323.4
Undisbursed debt	1,776.8	1,891.1	1,949.9	1,869.8	1,870.4	1,858.4	1,872.1	2,216.2	2,494.6	2,285.7	2,316.2	2,293.2	2,602.5	2,544.0	2,536.8
<b>2. Disbursed Debt by Creditor Category<sup>2</sup></b>	<b>3,471.5</b>	<b>3,556.2</b>	<b>3,685.2</b>	<b>4,010.2</b>	<b>4,038.4</b>	<b>4,057.4</b>	<b>4,086.4</b>	<b>4,118.8</b>	<b>4,347.7</b>	<b>4,399.3</b>	<b>4,401.7</b>	<b>4,483.1</b>	<b>4,388.4</b>	<b>4,322.8</b>	<b>4,323.4</b>
Bilateral debt	907.2	901.1	910.4	922.6	928.4	933.4	933.2	936.0	933.1	932.1	931.0	934.1	912.1	907.7	912.6
Multilateral debt	1,801.2	1,891.0	2,001.4	2,257.9	2,289.4	2,301.9	2,326.7	2,343.1	2,511.5	2,533.7	2,545.0	2,620.2	2,565.4	2,504.0	2,501.4
Commercial debt	439.6	439.5	447.9	492.8	489.8	499.3	496.7	498.4	499.4	608.5	615.2	617.9	574.9	576.0	574.6
Export credits	323.4	324.7	325.5	336.9	330.8	322.8	328.3	341.2	403.7	324.9	310.5	310.8	336.0	335.0	334.7
<b>3. Disbursed Debt by Borrower Category<sup>2</sup></b>	<b>3,471.5</b>	<b>3,556.2</b>	<b>3,685.2</b>	<b>4,010.2</b>	<b>4,038.4</b>	<b>4,057.4</b>	<b>4,086.4</b>	<b>4,118.8</b>	<b>4,347.7</b>	<b>4,399.3</b>	<b>4,401.7</b>	<b>4,483.1</b>	<b>4,388.4</b>	<b>4,322.8</b>	<b>4,323.4</b>
Central Government	2,718.0	2,799.4	2,923.3	3,192.4	3,232.0	3,249.6	3,275.9	3,295.2	3,462.3	3,483.0	3,501.6	3,582.5	3,540.2	3,481.7	3,484.2
Parastatal Companies	168.0	167.9	169.0	170.8	170.8	170.8	170.1	169.5	169.0	169.1	157.8	156.3	161.1	159.1	158.8
Private Sector	585.5	588.9	592.9	647.0	635.5	637.0	640.4	654.1	716.4	747.2	742.3	744.4	687.1	682.0	680.5
<b>4. Disbursed Debt by Use of Funds<sup>2</sup></b>	<b>3,471.5</b>	<b>3,556.2</b>	<b>3,685.2</b>	<b>4,010.2</b>	<b>4,038.4</b>	<b>4,057.4</b>	<b>4,086.4</b>	<b>4,118.8</b>	<b>4,347.7</b>	<b>4,399.3</b>	<b>4,401.7</b>	<b>4,483.1</b>	<b>4,388.4</b>	<b>4,322.8</b>	<b>4,323.4</b>
BOP & Budget Support	1019.673	1096.354	1,117.2	1,330.0	1,332.1	1,333.4	1,294.1	1,339.4	1,433.5	1,445.3	1,438.8	1,470.3	1,342.0	1,321.9	1,322.1
Transport & Telecommunication	427.591	431.536	441.2	490.0	507.3	518.9	517.1	529.4	544.3	551.5	550.5	571.5	601.6	592.7	592.7
Agriculture	346.207	350.086	354.0	380.0	383.9	382.1	396.2	399.5	396.7	395.4	403.2	437.0	455.5	448.7	448.8
Energy & Mining	610.476	609.223	615.1	621.0	624.7	624.8	627.5	628.7	637.0	666.4	663.6	670.1	642.5	632.9	632.9
Industries	157.947	157.973	159.5	161.0	159.2	155.1	154.3	154.6	151.0	151.3	134.4	137.4	159.7	157.3	157.4
Social Welfare & Education	444.591	447.074	525.1	538.0	550.8	554.2	567.2	571.5	615.0	607.7	629.6	639.7	671.4	661.4	661.5
Finance and Insurance	65.975	65.956	66.5	68.0	72.2	75.0	75.1	75.4	76.2	75.8	76.7	74.2	80.7	79.5	79.6
Tourism	73.171	73.404	74.8	74.7	73.9	73.8	73.6	73.7	75.5	73.0	70.4	70.7	76.8	75.6	75.7
Others	325.897	324.545	331.6	347.5	334.3	340.2	381.3	346.5	418.5	432.9	434.3	412.2	358.1	352.8	352.8
<b>5. Total Amount of Loans Contracted<sup>1</sup></b>	<b>257.8</b>	<b>5.0</b>	<b>22.3</b>	<b>11.4</b>	<b>173.4</b>	<b>45.3</b>	<b>111.8</b>	<b>0.0</b>	<b>1.2</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>	<b>91.2</b>	<b>0.0</b>	<b>0.0</b>
Government	61.6	0.0	17.3	0.0	171.2	45.3	107.8	0.0	0.0	0.0	0.0	0.0	91.2	0.0	0.0
Parastatal Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private	196.2	5.0	5.1	11.4	2.2	0.0	4.0	0.0	1.2	0.0	0.1	0.2	0.0	0.0	0.0
<b>6. Disbursements<sup>1</sup></b>	<b>18.9</b>	<b>90.2</b>	<b>266.7</b>	<b>35.3</b>	<b>19.3</b>	<b>20.1</b>	<b>19.9</b>	<b>15.4</b>	<b>19.6</b>	<b>16.5</b>	<b>13.3</b>	<b>51.0</b>	<b>35.4</b>	<b>14.2</b>	<b>13.5</b>
Government	15.0	85.2	266.7	34.7	16.6	16.5	15.5	11.5	18.4	16.3	13.3	51.0	35.4	14.0	13.5
Parastatal Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Private	3.9	5.0	0.1	0.6	2.7	3.6	4.0	3.9	1.1	0.2	0.0	0.0	0.0	0.0	0.0
<b>7. Scheduled Debt Service<sup>1</sup></b>	<b>28.0</b>	<b>3.5</b>	<b>17.0</b>	<b>11.2</b>	<b>8.5</b>	<b>36.2</b>	<b>18.1</b>	<b>4.2</b>	<b>14.3</b>	<b>10.9</b>	<b>9.7</b>	<b>31.7</b>	<b>35.9</b>	<b>6.1</b>	<b>10.6</b>
Principal	1.8	0.3	10.2	2.4	2.2	19.8	0.3	0.7	3.8	9.9	0.8	6.3	3.4	3.4	1.6
Interest	2.1	1.0	4.1	1.6	1.6	1.9	1.1	1.0	5.2	4.9	3.0	2.5	2.1	0.6	1.1
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>9. Net Transfers<sup>1</sup></b>	<b>15.0</b>	<b>88.9</b>	<b>252.4</b>	<b>31.3</b>	<b>15.6</b>	<b>-1.6</b>	<b>18.6</b>	<b>13.7</b>	<b>10.5</b>	<b>1.7</b>	<b>9.5</b>	<b>44.6</b>	<b>32.0</b>	<b>10.7</b>	<b>11.9</b>
<b>10. Total Arrears by Creditor Category<sup>2</sup></b>	<b>2236.8</b>	<b>2228.9</b>	<b>2260.7</b>	<b>2254.5</b>	<b>2267.9</b>	<b>2315.2</b>	<b>2424.1</b>	<b>2582.0</b>	<b>2612.4</b>	<b>2363.6</b>	<b>2398.2</b>	<b>2453.2</b>	<b>2552.2</b>	<b>2527.1</b>	<b>2548.2</b>
Principal	992.4	986.7	1,005.5	986.3	983.4	1,004.8	1,091.9	1,234.9	1,242.0	997.1	1,051.3	1,089.8	1,203.9	1,197.4	1,208.4
Interest	381.6	379.8	387.2	395.7	401.0	408.0	416.8	422.0	422.3	420.1	420.0	423.8	388.5	386.7	394.8
Bilateral	14.7	16.5	15.2	15.4	13.8	16.1	16.6	15.0	15.0	14.9	6.8	8.4	19.2	19.0	19.4
Multilateral	346.1	340.9	352.4	319.7	318.0	326.9	333.0	484.0	489.6	330.3	324.3	359.2	493.1	488.8	489.2
Commercial	250.0	249.4	250.7	255.5	253.7	253.7	325.4	314.0	315.2	300.2	298.5	298.5	302.0	302.9	305.0
Other Private Creditors	<b>1,234.5</b>	<b>1,242.2</b>	<b>1,255.2</b>	<b>1,268.2</b>	<b>1,284.5</b>	<b>1,310.4</b>	<b>1,332.2</b>	<b>1,347.1</b>	<b>1,370.4</b>	<b>1,366.6</b>	<b>1,346.9</b>	<b>1,363.3</b>	<b>1,348.2</b>	<b>1,329.8</b>	<b>1,339.9</b>
Bilateral	543.3	544.5	549.6	553.5	562.9	579.6	591.8	599.5	611.5	606.1	607.4	611.3	593.7	589.2	596.3
Multilateral*	28.1	28.5	29.5	30.8	30.8	27.4	33.5	32.2	32.2	31.1	31.1	31.1	31.1	31.1	31.1
Commercial	445.5	451.7	458.0	460.2	463.5	476.2	478.4	484.2	488.4	496.1	494.1	517.7	483.6	471.7	474.0
Other Private Creditors	217.6	217.5	218.1	223.6	227.3	227.0	228.5	231.2	238.3	231.8	241.3	234.3	246.8	244.7	244.6
<b>11. External Debt Stock</b>	<b>4,706.0</b>	<b>4,798.4</b>	<b>4,940.4</b>	<b>5,278.4</b>	<b>5,322.8</b>	<b>5,367.7</b>	<b>5,418.6</b>	<b>5,465.9</b>	<b>5,718.1</b>	<b>5,765.8</b>	<b>5,748.5</b>	<b>5,846.4</b>	<b>5,736.6</b>	<b>5,652.5</b>	<b>5,663.3</b>
<b>12. Domestic Debt Stock</b>	<b>1,479.0</b>	<b>1,501.2</b>	<b>1,513.1</b>	<b>1,615.6</b>	<b>1,619.0</b>	<b>1,673.5</b>	<b>1,548.6</b>	<b>1,686.5</b>	<b>1,709.6</b>	<b>1,727.1</b>	<b>1,725.5</b>	<b>1,735.0</b>	<b>1,697.7</b>	<b>1,743.2</b>	<b>1,710.1</b>
<b>13. Total Debt Stock</b>	<b>6,184.9</b>	<b>6,299.6</b>	<b>6,453.5</b>	<b>6,894.0</b>	<b>6,941.8</b>	<b>7,041.3</b>	<b>6,967.2</b>	<b>7,152.4</b>	<b>7,427.7</b>	<b>7,493.0</b>	<b>7,474.1</b>	<b>7,581.4</b>	<b>7,434.3</b>	<b>7,395.7</b>	<b>7,373.4</b>
End Period Exchange Rate	1281.0	1275.9	1229.9	1167.0	1170.7	1132.1	1171.9	1173.2	1236.8	1201.2	1197.2	1180.9	1164.1	1164.7	1168.9

Source: Bank of Tanzania

\*Multilateral arrears are those owed by the private companies  
1) During the period (2) End of October 2008 cumulative.

# **GLOSSARY**



**Currency in Circulation Outside Banks**

Notes and coins of Tanzanian shillings circulating outside the banking system, i.e. outside the Bank of Tanzania and deposit money banks.

**Discount Rate**

The rate of interest the Bank of Tanzania charges on Loans it extends to Deposit Money Banks and overdrafts to government. It is derived from the weighted average yield of Treasury bills of all maturities plus five-percentage points.

**Exchange Rate**

This is the price at which one unit of a currency can be purchased with another currency, e.g. TZS per US dollar.

**Lombard Facility**

An overnight facility established to enable commercial banks to borrow at their own discretion, by pledging eligible government securities as collateral.

**Lombard Rate**

This is the rate payable for the use of the Lombard Facility. The rate is based on the prevailing 35-days Treasury bill yield, REPO rate and overnight inter-bank rate, whichever is higher.

**Money Supply, M**

The sum of currency circulating outside banks and Tanzanian residents' deposits with depository corporations, are defined at various levels of aggregation as money supply narrowly and broadly defined. That is, narrow money (M1), broad money (M2), and extended broad money (M3).

**M1, Narrow Money,**

Consists of, currency in circulation outside banks and demand deposits of Tanzanian residents with deposit money banks.

**M2, Broad Money**

Is equivalent to narrow money (M1) plus time and savings deposits of the Tanzanian residents with deposit money banks.

**M3, Extended Broad Money**

Consists of, broad money (M2) plus foreign currency deposits of the Tanzanian residents with deposit money banks.

**Non-Food or Underlying Inflation Rate**

This is a measure of price movements caused by factors other than food prices. It provides better indication of the effectiveness of monetary policy on inflation since price movements in these items are caused largely by monetary policy.

**Repurchase Agreement (REPO)**

These are agreements for the BOT to purchase/sale government securities from/to financial institutions at agreed rate for a specified period, with an understanding that the financial institutions will repurchase/resell the securities to the BoT at the end of the period.

**Reserve Money (M0)**

The Bank of Tanzania's liabilities in the form of: (1) currency in circulation outside the Bank of Tanzania and (2) deposit money banks' deposits with the Bank of Tanzania. Reserve money is also referred to as base money, or high-powered money.

**Seasonally Adjusted Series**

Seasonal movements or seasonal variations, refer to identical, or almost identical patterns, which a time series appears to follow during corresponding months or quarters of each year. Such movements are due to recurring events, which take place annually, e.g. the harvest season. Seasonally adjusted series are series that have been processed to remove the impact of seasonal factors.

**Weighted Annualized Yields of Treasury Bills of all Maturities**

This is the average yield of Treasury bills, which is weighted by the volume sold of 35-day, 91-day, 182-day, and 364-day Treasury bills, expressed in percentage per year.







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## TANZANIA



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